

Washington, D.C. (January 2, 2013) – Rep. Jan Schakowsky released the following statement today on House passage of Senate legislation to extend the middle class tax cuts and unemployment insurance and end the Bush tax cuts for the wealthiest Americans:

“The deal that I voted for last night is a major step forward in tackling income inequality and protecting priorities for the middle class and those who aspire to it. The bill averted middle-class tax increases and severe spending cuts that could have thrown our economy back into a recession. It raises \$620 billion in revenues from the wealthiest Americans, while making no cuts to Social Security, Medicare, and Medicaid and minimal spending cuts to domestic programs. It extends unemployment benefits for two million people who are still looking for work.

The bill:

- Ends the Bush tax cuts for income above \$450,000 for couples and \$400,000 for individuals. The top tax rate for income above that level will rise to the Clinton-era level of 39.6%.
- Raises taxes on capital gains and dividends to 20% for income above the \$450,000/400,000 threshold.
- Raises the estate tax rate from 35% to 40% for inheritances over \$5 million for an individual (\$10 million for a couple).
- Extends expanded tax benefits passed under President Obama for 25 million working families and students; including an improved child tax credit, the American Opportunity Credit to help make college education affordable, and an expansion of the Earned Income Tax Credit.

- Extends the Wind Production Tax Credit and other business incentives for a year.
- Extends Emergency Unemployment Insurance benefits for a year.
- Makes no cuts to Social Security, Medicare, or Medicaid.

This deal marks a turning point in how we solve our fiscal problems – recognizing the significance of income inequality in our country and asking the richest Americans to pay more. But the battle is not over. Over the coming months, the debate will continue. Decisions will be made that will determine the economic future of families and individuals, small businesses and the country. All of us who believe in restoring the middle-class and helping all Americans climb out of poverty need to make sure that decisions that are made are the right ones.

