

Tier 1, AMDT # 3
March 12, 2013 9:19 PM

Amendment to the Chairman's Mark

Offered by Representatives Pocan, Van Hollen, Schwartz, Pascrell, Moore, McDermott, Lee, Cicilline, Jeffries, and Lujan Grisham

Protect the American Middle Class from Tax Increases

1. At the end of Title 7, add the following:

“Sense of the House Rejecting Any Tax Increases on the Middle Class

(a) The House finds that---

(1) According to CBO, between 1979 and 2007, real after-tax incomes for the top 1 percent of income earners grew 278 percent or a stunning \$973,100 per household. In contrast, real after-tax incomes of the middle 20 percent of families grew just 25 percent, and incomes of the poorest 20 percent increased 16 percent.

(2) According to the U.S. Census Bureau, American families lost ground even during the 2000s as median income slipped 4.9 percent in real terms between 2000 and 2009.

(b) It is the sense of the House that this resolution would not allow taxes to be raised on middle-class taxpayers with adjusted gross incomes below \$200,000 (\$250,000 for married couples), and would still reflect the tax rates and income thresholds established in the American Taxpayer Relief Act of 2012. Raising taxes on working families by eliminating their tax benefits – all for the purpose of providing millionaires with trillions of dollars in tax cuts – would have serious negative consequences, including the following:

(1) make it even harder for working families to make ends meet;

(2) cost the economy millions of jobs over the coming years by reducing consumer spending, which will greatly weaken economic growth;

- (3) hurt middle class homeowners and deliver another blow to the struggling housing industry by reducing the mortgage interest or real estate tax deductions that middle class families presently receive in support of financing and owning a home – which is the cornerstone of the American dream;
- (4) Dismantle employer-sponsored health insurance coverage for the middle class by reducing the exclusion of employer contributions for medical insurance premiums and medical care that middle class families presently enjoy;
- (5) weaken the Child Tax Credit and the Earned Income Tax Credit that go to 25 million working families, including military families – credits that are demonstrated to increase work effort; and
- (6) further widen the income gap between the wealthiest households and the middle class by making the tax code more regressive.”

2. Amend the committee report to reflect the following policy assumptions:

The resolution reflects the tax rates and income thresholds established in the American Taxpayer Relief Act of 2012, and expressly opposes any effort to raise taxes on individuals with adjusted gross income below \$200,000 or any married couple with adjusted gross income below \$250,000.