

AMDT #2

Amendment to the Chairman's Mark

Offered by Representatives Pocan, Van Hollen, Pascrell, Castor, McDermott, Lee, Dingell, Lieu, Norcross and Moulton

**Protect the American Middle Class from Tax Increases**

1. At the end of Title VIII add the following:

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

(a) The House finds that---

- (1) Since the 1970s, the gains from economic growth have gone overwhelmingly to the highest-income Americans, while the middle class has been left behind. According to the Congressional Budget Office, between 1979 and 2011, after-tax incomes rose five times as fast for the top 1 percent of households, whose annual incomes average more than \$1 million, than they did for the middle 60 percent of Americans.
- (2) American families lost ground during the 2000s and the Great Recession. Median household income fell 8.6 percent in real terms between 2000 and 2013, and is still no higher than it was in 1989.
- (3) Experience has shown that a strong middle class is critical for achieving robust, sustainable economic growth.
- (4) Studies by the Organization for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), and Standard and Poor's, among others, have concluded that increased income inequality is a threat to economic growth.
- (5) Past Republican tax plans have made reducing taxes for the wealthiest Americans the top priority. The result has been legislation that increased deficits while giving a disproportionate share of tax cuts to the wealthy, and that did not have the economic benefits that were promised.
- (6) Recent Republican tax plans have emphasized reducing the marginal tax rates on the highest-income Americans to 25 percent. However, it is impossible to

lower marginal tax rates to a maximum of 25 percent without either significantly increasing future budget deficits or increasing the tax burden on middle-income families.

- (7) The nonpartisan Tax Policy Center's analysis of a similar proposal that pledged to reduce top rates to 28 percent within a revenue-neutral framework found that it would have to raise taxes on middle-class families with children by at least \$2,000, on average.

(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). Raising taxes on working families by eliminating their tax benefits – all for the purpose of providing millionaires with trillions of dollars in tax cuts by reducing top marginal rates to 25 percent – would have serious negative consequences, including the following:

- (1) making it even harder for working families to make ends meet;
- (2) costing the economy millions of jobs over the coming years by reducing consumer spending; and
- (3) further widening 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 expressly opposes any effort to raise taxes on middle-class taxpayers with adjusted gross incomes below \$200,000 (\$250,000 for married couples). It also acknowledges that it is impossible to lower the highest marginal tax rate to 25 percent without either increasing the budget deficit or raising taxes on middle-income families.