

Amendment to the Chairman's Mark

Offered by Representatives Pascrell, Van Hollen, Castor, McDermott, Pocan, and Blumenauer

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

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

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

(a) The House finds that---

- (1) According to the Congressional Budget Office, 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 by 16 percent.
- (2) According to the U.S. Census Bureau, American families lost ground during the 2000s as median income slipped 4.9 percent in real terms between 2000 and 2009.
- (3) 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 any tax cuts to the wealthy.
- (4) Recent Republican tax plans have emphasized reducing the top marginal rates to 25 percent. Analysis by the non-partisan Tax Policy Center has shown that it is impossible to achieve such a reduction and be revenue-neutral without large reductions in tax deductions and credits for middle-income taxpayers that would likely lead to a net tax increase on those families.
- (5) The Tax Reform Act of 2014, introduced by the Republican Chair of the Ways and Means Committee, has confirmed that analysis. Mr. Camp could not meet the Republican goal of a 25 percent rate within revenue-neutral tax reform. He was forced to abandon the 25 percent rate, and instead proposes a maximum rate of 35 percent for most sources of income.

(6) 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) Past analyses of proposals to reduce top rates to 25 percent within a revenue-neutral tax reform plan suggest that the plans would raise taxes on middle-class families with children by an average of at least \$2,000.

(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) 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; and

(3) 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 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. 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.