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**PRESS RELEASE**

**CONTACTS:** Jessica Fraser, Senior Policy Analyst, IIWF, 317-638-4232, or 260-438-3659, [jfraser@incap.org](mailto:jfraser@incap.org)  
Anne Singer, CTJ, 202-299-1066, ext. 27, [anne@ctj.org](mailto:anne@ctj.org)

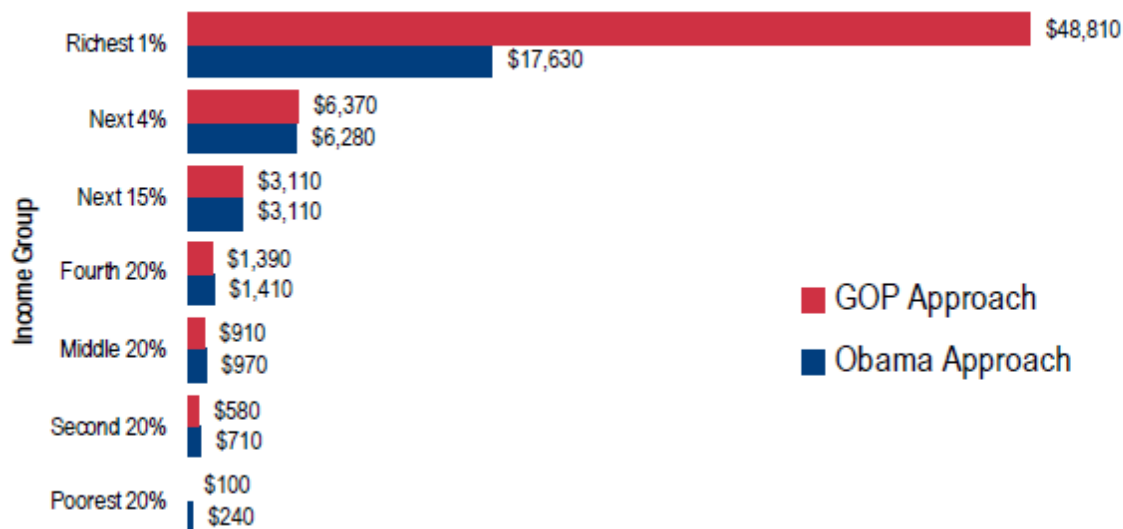
**New Analysis Finds GOP Approach to Bush Tax Cuts would Give Richest One Percent of Hoosiers \$31,180 More Per Year and Give Poorest 20 Percent \$140 Less on Average than Obama's Approach**

**Comparison of Two Approaches to Extending Some or All of the Bush Tax Cuts for All Americans Released Today**

Middle-income and low-income Hoosiers would pay somewhat more in taxes under the Congressional Republicans' approach to extending the Bush tax cuts than they would under President Obama's approach, while high-income Hoosiers would pay far less under the Republican approach, according to a new analysis from the Institute on Taxation and Economic Policy (ITEP) and Citizens for Tax Justice (CTJ). National figures show the same pattern.

The chart below shows that under the GOP's plan, middle-income and low-income Hoosiers would pay somewhat more in taxes than they would under the plan proposed by President Obama. Under President Obama's plan, the poorest 20 percent of Hoosiers would receive an average tax cut of \$240 while the richest one percent would get an average tax cut of \$17,630. Under the proposed GOP plan, the poorest 20 percent of Hoosiers would receive an average tax cut of \$100 while the richest one percent would receive an average cut of \$48,810.

**Average Tax Cut in 2013 in Indiana  
GOP Approach vs. Obama Approach**



*Figures rounded to the nearest ten dollars. Source: Institute on Taxation and Economic Policy (ITEP) microsimulation model, June 2012*

“While there will be broader discussions regarding our tax code, with a decision regarding the Bush tax cuts looming, it is in the best interest of our recovery to focus our priorities on low-to-moderate income families who continue to struggle and who are more likely to spend their dollars in their local communities, rather than further reducing the tax burden of the wealthiest Americans,” said Jessica Fraser, Senior Policy Analyst at the Indiana Institute for Working Families.

The President’s plan also proposes to make permanent the expansion of the Earned Income Tax Credit (EITC) and Child Tax Credit enacted in 2009.

Although the President’s plan includes this additional tax credits for low- and middle-income taxpayers and the GOP plan does not, it would cost one trillion dollars less over 10 years than would making all the Bush tax cuts permanent.

“Both President Obama and Congressional Republicans have proposed to extend far too many of these unaffordable tax cuts,” said Robert S. McIntyre, director of Citizens for Tax Justice. “But if we have to choose between the Congressional Republicans’ and President Obama’s approach, however, the President’s proposal is fairer and more responsible.”

The term “Bush tax cuts” refers to income tax cuts and estate tax cuts enacted in 2001 and 2003 and extended several times since then. In 2009, President Obama expanded some parts of these tax cuts that benefit low income and working families. In December of 2010, the President and Congress agreed to extend all of these tax cuts through the end of 2012.

The Republicans in Congress have indicated that they would extend all of the tax cuts first enacted in 2001 and 2003, but not the 2009 expansions for lower income families. President Obama wants to extend the 2001 and 2003 tax cuts only for the first \$250,000 a married couple makes annually, or the first \$200,000 a single person makes. Obama also wants to extend the 2009 expansions.

In addition to analyzing each of the proposed tax-cut approaches, the report also addresses the economic effects of tax cuts versus direct government spending and cites Moody Analytics research concluding that government spending is more stimulative by a factor of five, or more, than tax cuts.

The full report is available at [www.ctj.org/bushtaxcuts2012.php](http://www.ctj.org/bushtaxcuts2012.php) and shows the specific distribution of the benefits, and amounts of tax cuts, from the two different approaches in each of the fifty states and the District of Columbia as well as nationally.

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***Citizens for Tax Justice (CTJ)***, founded in 1979, is a 501 (c)(4) public interest research and advocacy organization focusing on federal, state and local tax policies and their impact upon our nation ( [www.ctj.org](http://www.ctj.org)).

Founded in 1980, ***the Institute on Taxation and Economic Policy (ITEP)*** is a 501 (c)(3) non-profit, non-partisan research organization based in Washington, DC that focuses on federal and state tax policy. ITEP's mission is to inform policymakers and the public of the effects of current and proposed tax policies on tax fairness, government budgets, and sound economic policy ([www.itepnet.org](http://www.itepnet.org)).

### **Indiana Institute for Working Families**

The Indiana Institute for Working Families (Institute) is a program of the Indiana Community Action Association, Inc. (IN-CAA). The Institute was founded in 2004. The Institute conducts research and promotes public policies to help Hoosier families achieve and maintain economic self-sufficiency. The Institute is the only statewide program in Indiana that combines research and policy analysis on federal and state legislation, public policies, and programs impacting low-income working families with education and outreach. The Institute achieves its work by focusing its activities in the following areas: Public Policy: Research and Analysis; Education and Outreach; and National, Statewide, and Community Partnerships. To learn more about the Institute, please visit: [www.incap.org/iwvf.html](http://www.incap.org/iwvf.html).

### **Indiana Community Action Association (IN-CAA)**

The Indiana Community Action Association, Inc. (IN-CAA) is a statewide not-for-profit membership corporation, incorporated in the State of Indiana in 1970. IN-CAA's members are comprised of Indiana's 23 Community Action Agencies (CAAs), which serve all of Indiana's 92 counties. IN-CAA envisions a state with limited or no poverty, where its residents have decent, safe, and sanitary living conditions, and where resources are available to help low income individuals attain self-sufficiency. IN-CAA serves as an advocate and facilitator of policy, planning, and programs to create solutions and share responsibility as leaders in the War Against Poverty. IN-CAA's mission is to help the state's CAAs address the conditions of poverty through: training and technical assistance; developing models for service delivery; and providing resources to help increase network capacity. For more information about IN-CAA, please visit IN-CAA's web site at: [www.incap.org](http://www.incap.org).