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**Republican Approach to Extending the Bush Tax Cuts Would Result in \$38,780 Break for Richest 1% of Rhode Island Taxpayers and Higher Taxes for Working Families, Compared to Obama's Approach**  
 (National figures and more information available at [www.ctj.org/pdf/bushtaxcuts2010.pdf](http://www.ctj.org/pdf/bushtaxcuts2010.pdf))

The tax cuts enacted during the presidency of George W. Bush, and modifications of those tax cuts included in the economic recovery act enacted last year, expire at the end of 2010. Congress must soon decide which parts of these tax cuts to extend or make permanent, and which parts to let expire as scheduled.

President Obama proposes to make the Bush tax cuts permanent for all but the richest two percent of taxpayers. He also proposes to make permanent the modifications of the Bush tax cuts (expansions of the Child Tax Credit and Earned Income Tax Credit) that were included in the recovery act.

Republicans in Congress have offered several tax proposals over the last several years, and all of them start with making permanent *all* the tax cuts enacted under President Bush (including those benefitting the richest two percent), and *none* of them include making permanent the modifications of the Bush tax cuts included in the recovery act.

- Under the Republican approach, the bottom 60 percent of Rhode Island taxpayers would pay \$90 more in 2011, on average, than they would under President Obama's approach.
- Under the Republican approach, the richest one percent of Rhode Island taxpayers would pay \$38,780 less in 2011, on average, than they would under President Obama's approach.
- Under the Republican approach, the richest one percent of Rhode Island taxpayers would receive 31.6 percent of the total tax cuts going to the state in 2011.

Competing Approaches to the Bush Tax Cuts, Impact in 2011 in Rhode Island						
State Taxpayers		Obama's Approach		Republican Approach		Republican Approach vs. Obama Approach
		(Permanent Bush income tax cuts for those below \$200k/250k, estate tax cut, permanent EITC and child credit expansion)		(Permanent Bush income tax cuts for everyone, estate tax repealed, no EITC or child credit expansion)		
Income Group	Average Income	Average Tax Cut	Share of Tax Cut	Average Tax Cut	Share of Tax Cut	Average Difference
Lowest 20%	\$ 10,541	\$ -137	1.7%	\$ -48	0.5%	\$ +89
Second 20%	24,982	-572	7.2%	-437	4.5%	+135
Middle 20%	44,867	-802	9.8%	-759	7.6%	+43
Fourth 20%	71,121	-1,365	18.0%	-1,365	14.6%	—
Next 15%	121,337	-3,293	31.4%	-3,301	25.6%	-9
Next 4%	249,381	-6,955	17.7%	-7,525	15.6%	-570
Top 1%	1,064,429	-22,192	14.1%	-60,972	31.6%	-38,780
<b>ALL</b>	<b>\$ 68,510</b>	<b>\$ -1,556</b>	<b>100.0%</b>	<b>\$ -1,912</b>	<b>100.0%</b>	<b>\$ -355</b>
<b>Bottom 60%</b>	<b>\$ 26,590</b>	<b>\$ -500</b>	<b>18.8%</b>	<b>\$ -411</b>	<b>12.6%</b>	<b>+90</b>

Note: Table does not include the Making Work Pay Credit, which President Obama proposes to extend only for one year, through 2011.