



Obama Releases Details of Massive Tax Hikes On American Families and Small Businesses

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President Obama yesterday released details of his plan to raise taxes on American families and small businesses. He has been telegraphing this plan ever since the 2008 Democrat primary. At each step, American families and small businesses have received a fresh warning. With the release of the Treasury Department's document this week, the tax hikes have begun to be fleshed out.

40% of the value of new “tax cuts for families” is actually new spending, not new tax cuts. A close examination of the Obama tax blueprint shows that of the \$736 billion in new “tax cuts” for working families, some \$280 billion—or 40% of the value—is in fact welfare spending on non-taxpayers.

In total, the Obama “tax cut” blueprint hikes spending by \$410 billion, and falsely labels this new spending as “tax relief.”

Families making less than \$250,000 per year will see an income tax hike. Families with taxable income of \$230,000 and individuals with taxable income of \$190,000 will see their income tax rate rise. This flies in the face of Obama campaign promises not to raise taxes on any families making more than \$250,000 per year.

American families will bear the brunt of the Obama tax blueprint's energy tax hike. By limiting tax breaks for the production of domestic energy and a raft of other energy tax hikes, the Obama budget blueprint will raise American families' energy bills by \$105 billion over the next decade. This does not even count the new carbon tax known as “cap and trade,” which is not included in this budget outline. All told, the Obama energy agenda will raise the average family's energy bill by thousands per year if fully-implemented.

Small businesses will shed jobs to pay for the higher small business tax rates. The Obama budget blueprint calls for the top tax rate to climb from 35% to 39.6%, and for the second-highest rate to climb from 33% to 36%. In addition, restoring the phaseout of itemized deductions and personal exemptions will bring the top rate mathematically closer to 41.6%. Social Security and Medicare taxes come on top of this.

These tax rate hikes would be devastating for small businesses, which pay taxes on their owners' tax forms. \$2 out of \$3 in small business profits pay taxes at these tax rates. 47 million Americans—one out of three American workers—is employed by these profitable small businesses. In order to pay the higher taxes in the Obama tax blueprint, workers will be among the first to suffer.

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