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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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TREASURY CONTINUES TO WITHHOLD VITAL TAX FIGURES – Incomplete Release of Treasury Data Provides Misleading Results –

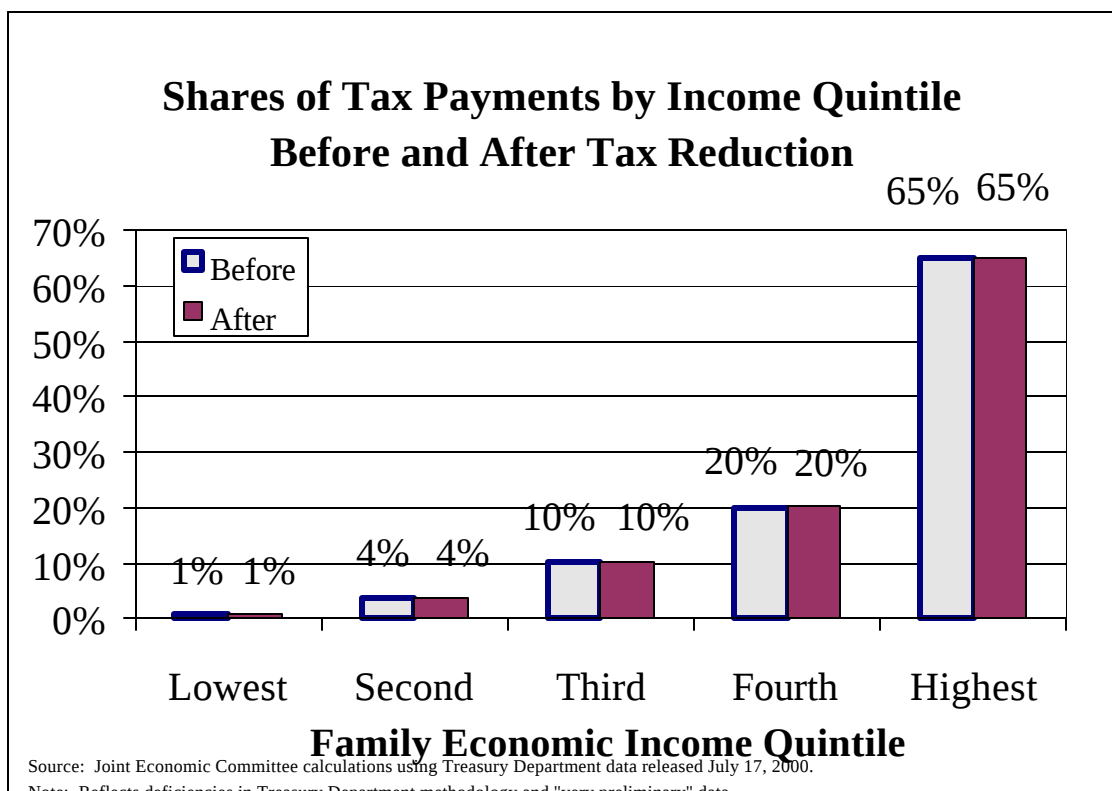
WASHINGTON, D.C. – The Treasury Department’s incomplete release of tax distribution data is inherently misleading, and the Treasury should move quickly to remedy the situation, Vice Chairman Jim Saxton of the Joint Economic Committee (JEC) said today. The Treasury has released figures purporting to show the skewed effects of tax reduction, but the JEC has reconstructed related data concealed by the Treasury that actually shows that the tax shares of all income groups are unchanged after the tax reduction is taken into account.

“Good public policy cannot be based on incomplete and misleading information,” Saxton said. “The Treasury has chosen to release a small slice of data portraying the effects of tax reduction as skewed. At the same time, the Treasury has chosen to withhold from Congress, the press, and the public, closely related data that show that tax reduction will not change the shares of total taxes paid by each income group. The level of total taxes is estimated to change, but the relative share paid by each income group would remain unchanged.

“The format, structure, and method of releasing these tax distribution data raise questions about whether the appropriate and traditional separation of government statistical functions and political influence has been maintained in the Treasury Department. Many government agencies produce data, but the release schedule, structure and format of these releases are designed to limit the influence of political factors and protect the statistical integrity of the data product.

“Government statistics produced by professional career statisticians and economists should not be subject to political influences. The timing of the releases should be transparent, as should be the content of the data in their entirety. The graph below shows what the Treasury is not disclosing: under tax reduction, the proportion of taxes paid by each income fifth is unchanged.

“For example, the top fifth paid 65 percent of federal taxes before the tax relief legislation, and would pay 65 percent of total taxes after this legislation took effect. The bottom fifth paid one percent of total taxes before the tax relief bills, and one percent after. Tax relief is provided, but the shares of taxes paid under tax relief are unchanged for each income group. The failure of the Treasury to disclose this information produces very misleading results and raises serious questions about the propriety of concealing this information from Congress, the press, and the public. The Treasury Department should not be playing hide and seek with data produced at taxpayer expense,” Saxton concluded.



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