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**NEW CBO ESTIMATES CONFIRM BUSH ADMINISTRATION
TAX CUTS HIGHLY SKEWED TO RICHEST HOUSEHOLDS**

Washington, D.C. – New estimates by the Congressional Budget Office (CBO) confirm that the Bush Administration’s tax cuts disproportionately benefit the richest American households. An analysis of the CBO data by **Joint Economic Committee Democrats** shows that the average tax cut for the richest one percent of households is more than 70 times larger than the tax cut for middle-income families in 2004.

Based on the new CBO estimates, a report by the JEC Democrats shows that the Bush tax cuts are even more highly skewed to the rich than previous estimates by other tax analysts – the disparity is so great that the increase in *after-tax* income for the wealthiest households is four times as large as the increase for middle-income households.

“The nonpartisan Congressional Budget Office confirms that the Bush tax cuts lavish the richest one percent of Americans with a huge windfall that is far larger than the modest benefits provided to middle income families,” said **Rep. Pete Stark (D-CA)**, **Senior Democrat** on the **Joint Economic Committee (JEC)**. “President Bush said his tax cuts would strengthen our economy. Instead, average Americans must contend with stagnant wages, a persistent jobs deficit, anemic job growth and record budget deficits that will impose costs well into the future.”

The JEC Democrats’ analysis of CBO data finds that the combined Bush tax cuts result in an average tax cut of only \$250 for the lowest 20 percent of households in 2004, compared with an average tax cut of \$1,090 for the middle 20 percent of households and an average tax cut of \$78,460 for the top one percent of households. Even after excluding the effects of bonus depreciation – a temporary investment incentive expiring this year – the richest one percent of households still get a whopping \$40,990 tax cut.

The tax cuts raise the *after-tax* income for the highest income families by a much larger percentage than for everyone else. In 2004, the tax cuts are a staggering 10.1 percent of after-tax income for the top 1 percent of households (including bonus depreciation), but only 1.6 percent of after-tax income for the lowest 20 percent of households, and 2.3 percent for the middle 20 percent of households. If the Bush Administration had merely scaled back the tax cuts for the wealthiest households so that they were the same percentage of after-tax income as for middle-income households, the cost would have been much less – we could have saved almost \$90 billion.

Full text of the JEC Democrats’ report, ***New CBO Analysis Confirms That the Bush Tax Cuts Are Skewed Toward the Rich***, is available at <<http://www.jec.senate.gov/democrats/reports.htm>>.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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