

THE BUSH TAX CUT PROGRAM

FEEDING THE GOOSE...

By: Phil Brennan

Those loud sounds you hear in the background are the first shots in the new class war being declared by the National Socialist Democrat Party (NSDP) against President Bush, the Republican Party the Bush tax proposals and, most of all, the hateful "rich".

The principal weapon in the NSDP arsenal is the big lie, a whopping untruth so despicable it now appears to be sickening most Americans who are wising up to the demagoguery that masquerades as political discourse but in reality is nothing short of a hate crime.

That lie - that the Bush proposals designed to get the economy up and running are simply devices meant solely to benefit the "rich" at the expense of most Americans. That this lie is promulgated by such genuinely rich people as that storied champion of "regular" people, the multi-millionaire trial lawyer, Sen. John Edwards and his colleague, the multi-multi millionaire Edward Kennedy clone, Sen. John Kerry, makes it even more offensive.

Here, according to Reuters, are the details of the Bush plan:

* Speeding up reductions in income tax rates for all income brackets already passed by Congress and now scheduled for 2004 and 2006, to this year. That would lower the current 27 percent bracket to 25 percent, the 30 percent bracket to 28 percent, the 35 percent bracket to 33 percent and the top 38.6 percent bracket to 35 percent. The reductions would be retroactive to Jan. 1, 2003.

* Increasing to \$75,000 from \$25,000 the amount small companies can immediately write off for investments in new equipment.

* Expanding the 10 percent tax bracket to the first \$7,000 in income from \$6,000.

* Getting rid of the so-called "marriage tax penalty by fully implementing tax breaks for married couples in 2003.

* Immediately expanding the child tax credit to \$1,000 from the current \$600. That would amount to a \$400 increase per child, and checks would be issued in that amount this year, the White House said, helping an estimated 34 million families.

According to the White House, 46 million married couples would receive average tax cuts of \$1,716; 34 million families with children will benefit from average tax cuts of \$1,473; and 13 million elderly taxpayers would receive a \$1,384 tax cut.

The White House estimates that a typical family of four with two earners making a total of \$39,000 would receive an average \$1,100 in tax relief under the president's plan.

The Bush plan would also ditch the tax on dividends which amounts to double taxation , with corporation income being taxed, and then taxed again when that income is passed on to stockholders as dividends.

The Bush proposals attack the problems with the economy on a long term basis, propping up the economy's underpinnings by creating incentives for new investment that in turn creates new jobs.

Individual Americans get immediate tax relief, pumping money into the pockets of most taxpayers which will help buttress a sluggish economy by providing more spending power to consumers.

Contrast that with the NSDP plans now being bruited about by the NSDP leadership which amount to nothing more than a welfare program masquerading as tax relief, much of it aimed at those who pay little or no income taxes but hopefully will show their gratitude for the short term handouts by voting Democratic.

Incredibly, the NSDP's favorite scare tactic - that Social Security is being endangered by those rascally Republicans - suddenly loses its fear factor in light of Democrat demands that FICA taxes be reduced or even eliminated for a period of time, thereby robbing the Social Security and Medicare system of vitally needed income.

At the heart of the NSDP class warfare campaign is the charge that the tax cuts mainly benefit the rich. They claim that a person with an income of a million dollars would get a tax break of \$25,000, while a couple with an income of \$25,000 would get little or nothing. This of course overlooks the fact that this couple pays little or nothing in income taxes.

If you cut taxes across the board by ten percent, for example, the person who pays the most in taxes gets the biggest break. That's called fairness, except on the battlefields of the class war where it is called "tax cuts for the rich."

Who pays income taxes? According to the IRS, using figures from the year 2000:

*The top 1%: those with Adjusted Gross Income (AGI) of more than \$313,469, pay 37.42 percent of all income tax collected.

* The top 5%: those with an AGI of \$128,336, pay 56.47 percent

* The top 10%: those who earn \$92,144, pay 67.33 percent

* The top 25%: those with an AGI of \$55,225, pay 84.01 percent

* The top 50%: those earning \$27,682, pay 96.09 percent.

* The bottom 50%: those with less than \$27,682, pay a mere 3.91 percent

Consider the fact that those in the top brackets are, for the most part, the people who do the most investing, start the most new businesses, and produce the most jobs are the so-called rich the NSDP wants us to hate and insists should be penalized by depriving them of part the very income they use to help create a booming economy.

This is called killing the goose that lays the golden eggs.

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