



September 10, 2012

Voter Guide 2012 Fact Sheet: Taxes

Key Facts

- **Your Tax Dollars at Work:** Around 80 percent of all federal tax revenue comes from the paychecks of regular Americans, through income taxes and payroll taxes.ⁱ
- **Declining Revenue:** Federal tax revenue as a share of the U.S. economy has dropped to its lowest point in more than half a century.ⁱⁱ That's the result of a weak economy as well as declining tax rates and growing exploitation of tax loopholes.
- **Tax Loopholes:** When elected officials say they support "broadening the base," that means closing loopholes and deductions in the tax code. **Loopholes, credits and deductions together translate to around \$1.3 trillion in lost tax revenue in fiscal 2012 – larger than the entire budget deficit.**ⁱⁱⁱ
- **Bush Tax Cuts:** The Bush-era tax cuts are scheduled to expire on Dec. 31, 2012. These rate cuts have reduced taxes for millions of Americans, though they've also been criticized heavily because the deepest benefits have accrued to the wealthiest taxpayers.

What Americans Say:

"The more you make, the more you're penalized, the more you pay. So, people go through life in this country thinking, 'you know, the harder I work, the [higher] percentage I pay.' "
- Mark (Urbandale, Iowa)

"[Medicare and Social Security] are essential. I'd be happy to pay more in taxes if that's necessary."
- Richard (Bonita Springs, Florida)

What the Candidates Say:

"I'm calling on Congress to extend the [Bush-era] tax cuts for the 98 percent of Americans who make less than \$250,000 for another year."

– Barack Obama, July 2012^{iv}

"I'd eliminate [taxes on] capital gains, interest, and dividends for people in middle income."

– Mitt Romney, December 2011^v

What to Ask Your Congressional Candidates:

Do you support changes to the tax code to raise additional tax revenue and if so, what changes do you support? If you support "base broadening," which specific loopholes and deductions would you eliminate?

ⁱ White House Office of Management and Budget, The President's Budget, Public Budget Database

ⁱⁱ White House Office of Management and Budget, The President's Budget, Historical Table 1.2

ⁱⁱⁱ Tax Policy Center, "[How Large Are Tax Expenditures?](#)"

^{iv} [Remarks by the President on Extending Tax Cuts for Middle-Class Families](#), 9 July 2012.

^v Iowa [GOP debate](#), 11 Dec. 2011.