

Statement of Support

Strengthening the American Economy through Accountability and Responsibility

Americans are struggling to recover from the deepest recession since the Great Depression. Action is needed to create jobs and strengthen the economy. But Americans are also concerned about growing deficits and believe that that steps are needed to put our budget back on a sustainable path. Responsible spending decisions will be needed but we must also ensure we can pay for vital services that people depend on and investments in our nations' future. We can start to address this by asking wealthy individuals and corporations to pay their fair share of taxes so that America remains competitive and the door to economic opportunity stays open.

To ensure that big corporations and wealthy individuals pay their fair share, and to return this country to a responsible and economically sound fiscal policy, **we, the undersigned organizations, support these five goals as the pillars for tax policy in 2010:**

- 1. Allow the 2001 and 2003 tax breaks for the wealthiest Americans to expire this year as scheduled.** The top two marginal tax rates should return to 36 and 39.6 percent. The tax rate for capital gains and dividends should return to no less than 20 percent. Inefficient tax loopholes and preferences for those earning more than \$250,000 a year should be closed.
- 2. Ward off billions in new tax cuts for the very rich by maintaining a strong federal estate tax.** Reinststate the estate tax for 2010 and make the top rate no less than 45 percent and the estate-tax exemption no higher than, and preferably lower than, \$3.5 million per individual (\$7 million per couple). This would limit the tax to the top ¼ of one percent of estates. There should also be a surtax on very large estates, such as those valued at more than \$20 million.
- 3. Eliminate tax loopholes for big corporations and the very wealthy, and hold Wall Street accountable.** Prevent offshore maneuvering by multi-national corporations to avoid taxes. Close tax havens so that affluent investors can't duck their responsibility to this country. Curb wasteful subsidies for oil and gas companies. Stop taxing the "carried interest" earned by hedge fund managers at a lower rate than ordinary income. Impose a post-financial crisis fee on Wall Street firms and the financial sector to help reimburse taxpayers for the cost of the bailouts
- 4. Ensure economic security for working families.** Extend improvements in the Child Tax Credit, Earned Income Tax Credit, and American Opportunity Tax Credit for college so millions of low- and moderate-income working families do not lose tax credits at the same time other middle class tax cuts are extended.
- 5. Stop ineffective and wasteful tax cuts.** Making further cuts in taxes without paying for them is not responsible; it worsens the federal deficit and jeopardizes economic growth over the long run. Even if additional tax cuts are paid for, they should first be evaluated for their effectiveness just like federal spending. Dedicating new revenues or savings to pay for more unnecessary tax cuts for the wealthy or corporations takes money that could be used to assist struggling families and communities, invest in critical national priorities, or reduce the deficit.

We will educate each other, our members, and the public in order to advance these critical priorities. It is our collective responsibility—the public, the government, and the private sector—to take swift and immediate action on these opportunities to put our country's budget back on track to ensure much-needed investments can be made now and in the future.