



Don't Believe Obama's Ads, Romney Is A Middle Class Tax Cutter

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Barack Obama brazenly fabricates Mitt Romney's tax proposals, pouring millions into advertising claiming those proposals would increase taxes by \$2,000 a year on the average middle class family. That is how he debates a Romney tax plan that only cuts taxes on the middle class, repeatedly, with no middle class tax increase of any sort. Those middle class tax cuts would be an extension of 30 years of Reagan Republican tax policy only cutting federal income taxes on the middle class, to the point where the middle 20% of income earners by 2009 paid only a negligible portion of total federal income taxes.

Romney actually proposes cutting income tax rates across the board for everyone by 20%. That reprises Reagan's 1980 campaign proposal to cut tax rates across the board by 30%, which was enacted in 1981 as a 25% income tax rate cut for everyone. Those sweeping tax rate cuts helped spawn the greatest economic boom in world history over the next generation, 1982 to 2007. That boom is now an established, recorded, factual result, and, therefore, is not an issue over which reasonable people can differ.

Of course, there were other critical policies contributing to that Reagan boom, mostly notably the strong dollar monetary policy that tamed double digit inflation for a generation. If Romney-Ryan are going to get the same results as Reagan, they are going to have to adopt similarly sound monetary policy as well.

Barack Obama on the campaign trail derides Romney's proposed tax rate cuts as magical fairy dust. That is the language you get from a President when you take a Marxist street agitator off the streets of inner city Chicago and put him in the White House, as the Democrat Party has done to America. Tax *rate* cuts promote economic growth and prosperity because they increase the proportion producers can keep of what they produce, which increases incentives for productive activity such as saving, investment, starting businesses, expanding businesses, job creation, entrepreneurship, and work.

Tax *rate* cuts, in fact, are the only tax cuts that work, as Obama has now proved, studiously avoiding them for targeted, temporary, tax *credits* that economically are nothing more than welfare checks. That is why in sharp contrast to Reagan's results Obama has given America the worst economic recovery from a recession since the Great Depression.

Romney's proposal would cut taxes for the middle class by reducing the 25% income tax rate, which applies today to singles earning between \$35,350 and \$85,650, and to couples earning between \$70,700 and \$142,700, down to 20%, and the 15% tax rate, which applies to singles earning between \$8,700 and

\$35,350, and to couples earning between \$17,400 and \$70,700, down to 12%. Those would be the lowest federal income tax rates faced by the middle class since Franklin Roosevelt's tax increases during the Great Depression.

But that is just the start of the Romney tax cuts for the middle class. Romney's tax plan would extend all of the Bush tax rate cuts for everybody now scheduled to expire in January. That includes the Bush middle class tax cut reducing the 28% tax bracket to 25%. It also includes the Bush reduction in the 15% rate to 10% for the lowest income earning couples making less than \$17,700 and singles making less than \$8,700. Romney's tax plan would reduce that 10% rate to 8%, which is another tax cut for the middle class in higher tax brackets because it reduces the rate that applies to the first dollars they earn below those thresholds.

Romney also proposes to repeal the Alternative Minimum Tax (AMT), which was originally only supposed to stop the richest from avoiding any taxes, but now increasingly would apply to millions in the middle class, especially in high tax states like New York and California. Romney proposes to repeal as well the unfair death tax, which taxes yet again a lifetime of savings at death that have already been taxed multiple times. That tax crushes many small business owners at death when they try to pass the family business on to their children, often forcing it to be sold just to pay the rapacious tax.

In addition, Romney proposes further sweeping tax cuts for the middle class by pledging to repeal Obamacare, which includes many middle class tax *increases*, in direct violation of Obama's 2008 campaign pledge not to increase taxes on singles making less than \$200,000 a year, and couples making less than \$250,000. Obama promised in 2008, "I can make a firm pledge. Under my plan no family making less than \$250,000 a year will see *any form* of tax increase." (emphasis added).

Those Obamacare tax increases include the individual mandate, upheld by the Supreme Court precisely because it is an effective tax on working people and the middle class earning less than \$200,000 a year for singles and \$250,000 for couples, among others. The mandate forces working and middle income taxpayers to buy the expensive, politically correct health insurance not that they want to buy, but that Obama's HHS Secretary Kathleen Sebelius decides they must buy. While Obamacare includes new health insurance welfare to help pay that cost, the net that working and middle class taxpayers would have to pay is still like a new payroll tax or income tax. And the new health insurance welfare entitlement is paid for by taxpayers too, of course, which includes further Obamacare tax increases on the middle class.

Those further middle class tax increases include:

- A new tax on health insurance premiums, totaling \$60 billion over the first 10 years alone;
- A new tax on medical devices, which includes wheelchairs, pacemakers, stents used in heart surgery, and other common medical articles;
- A new tax on prescription drugs, totaling \$27 billion over the first 10 years;
- A new 10% tax on tanning salons.