

# Bush Watch

## Tax Cuts for the Wealthy

In every federal budget President Bush has submitted since becoming president, tax breaks for the wealthy have taken top priority, while funding to meet working families' needs—including quality, affordable health care and education, relief for unemployed workers and workplace health and safety—has been slashed. The fiscal year 2005 budget gives millionaires tax breaks averaging \$123,600—a windfall 191 times greater than the modest \$647 benefit for America's typical household.

### FY 2005 Budget Boosts The Wealthy, Not Working Families

The White House's fiscal year (FY) 2005 budget continues a trend of Bush budgets that cut taxes for the nation's super-rich and slashed funding for jobs and other critical working family programs. Ignoring the plight of the nation's millions of jobless workers, the Bush budget would create 5.6 million fewer jobs than the leading congressional proposal. The hallmark of the Bush budget: the Bush administration's determination to permanently lock in multitrillion-dollar tax breaks that overwhelmingly benefit the nation's very wealthy. Millionaires would get tax breaks averaging \$123,600—a windfall 191 times greater than the modest \$647 benefit for America's typical household.

### Buried Treasury Report That Predicts Huge Deficits and Need for Tax Hike

When the Bush administration sent its proposed 2004 budget to Congress in February 2003, it omitted a U.S. Treasury Department report that predicted huge deficits far beyond the administration's projections. The study also said tax increases were needed to close the astonishing \$44 trillion deficit the study predicted.

Yet Bush's budget instead called for a \$726 billion tax cut primarily for

the wealthy and projected a deficit of just above \$200 billion. A May 29, 2003, report in the *London Financial Times* revealed the study was commissioned by former Treasury Secretary Paul O'Neill, who resigned under pressure in December 2002.

### Chose Wealthy over Working Families in Economic Stimulus Package

As the centerpiece of his 2004 economic stimulus plan, Bush proposed the complete elimination of taxes on stock dividends. According to the nonprofit Center on Budget and Policy Priorities, nearly two-thirds of the benefits from exempting corporate dividends from individual income taxes would flow to the wealthiest 5 percent of tax filers because they own the lion's share of stocks. The center also noted the group with annual incomes of more than \$1 million—about 226,000 tax filers in 2003—would receive roughly as much in benefits as the 120 million tax filers with annual incomes less than \$100,000.

### Treasury Secretary Called for End to Corporate Taxes

Bush's first Treasury secretary, Paul O'Neill, told the *London Financial Times* in May 2001 that American corporations should not pay income tax and that capital gains taxes for businesses should be abolished. Corporations at present pay only 7.4 percent of federal taxes—down from 27.5 percent in the 1950s, according to the historical tables in the FY 2005 federal budget.



Read more about the Bush record on tax cuts for the wealthy at

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