

U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

FOR IMMEDIATE RELEASE

APRIL 11, 1990

CONTACT: STEVE SPINA

PHONE: (202) 225-3452

**TAX DAY 1990 "DAY OF MOURNING FOR
TAX FAIRNESS", SAYS RAHALL**

WASHINGTON, D.C.— After a decade of Republican tax cuts for the wealthy and tax increases on working families, Congressman Nick Rahall (D-WV) today called tax return filing day April 16th "a national day of mourning for basic tax fairness."

"Nine out of ten American families are paying more federal taxes than they did before Republican administrations took a crowbar to our tax system," said Rahall. "What used to be the fairest tax in the land has become a cornucopia of giveaways to the wealthy, and a thumb in the eye of people who work for a living."

Rahall cited a recent study of the tax code which found that:

- o The top 1 percent of the population, with average incomes of \$549,000 each, enjoys tax breaks worth \$82,196 per year compared to the pre-1978 tax system, a 36 percent decrease in taxes.

- o The typical middle-income family earning \$31,000 pays \$409 more in inflation-adjusted dollars, an increase of 7 percent in their yearly tax bill.

"Even relatively well-off families making between \$30,000 and \$64,000 have seen their taxes go up," said Rahall. "Wall Street junk-bond pirates, Fortune 500 corporate executives, and wealthy heirs are paying lower tax rates than two-earner couples or even professional people."

When the administration smiles and says "Read my Lips," I think they are laughing all the way to the bank. If the wealthiest taxpayers, in the top 1 percent had to pay taxes at 1978 rates, they would have to kick in another \$84 billion. The simple truth is that we would not have a \$200 billion deficit, or a tax system that puts most of the burden on the middle class, if the Donald Trumps and the Leona Helmsleys of the world had to pay their fair share of taxes."

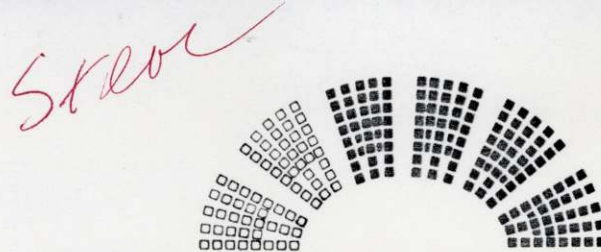
"There is something wrong with a system that has allowed the after-tax incomes for families earning \$31,000 or less to drop as much as 14 percent since 1977, while incomes for the richest Americans have more than doubled," said Rahall. "And it's wrong to take taxpayer's money and spend it on interest payments to Uncle Sam's bondholders just so people who make over \$500,000 a year can avoid \$84 billion in taxes."

"If the administration wants the American taxpayer to believe that they are kinder and gentler, they had better get to work on the tax system before the middle and lower-middle classes revolt," said Rahall.

--30--

STENY H. HOYER
CHAIR

VIC FAZIO
VICE-CHAIR



Democratic Caucus

U.S. HOUSE OF REPRESENTATIVES

718 ANNEX #1 HOUSE OFFICE BUILDING WASHINGTON, DC 20515 (202) 226-3210
April 6, 1990

Dear Democratic Colleague:

On April 15th, "Tax Day," your constituents will be presented with a painful reminder of how unfair and unprogressive our Tax Code continues to be.

Recent studies by the Committee on Ways and Means, and by Citizens for Tax Justice, tell us that the Code remains unfair and biased against working Americans, in spite of our passage of Tax Reform a little more than three years ago. Tax reform corrected about 25% of the problem -- but much more needs to be done.

Attached is a draft press release that discusses the continuing battle to restore progressivity to the Tax Code and why that battle must still be waged. I would ask that you consider sending this type of release, or something similar, over the District Work Period. Please refer to our recent Democratic Message Bulletin on Tax Justice (3/5/90) for further resource.

Democrats stand for a progressive tax code based on our citizens' ability to pay. The Democratic National Committee and Democratic Leadership Council have adopted resolutions pressing the case for progressivity. At the same time, the Bush administration wants to cut taxes for the wealthy, use Social Security funds to mask the true size of the federal deficit, and ignore the needs and aspirations of working Americans.

The differences between the parties could not be sharper. On Tax Day, let's remind all Americans that we stand with them for tax fairness.

Should you need further information, please feel free to have your staff contact Bruce Fisher of Citizens for Tax Justice (628-3760) or Rob Ambrose of the Democratic Caucus (226-3210).

With warmest, personal regards, I am

Sincerely yours,

STENY H. HOYER

1990 APR -9 AM 11:18

EMBARGOED FOR RELEASE UNTIL
Monday, April 16th, 1990

CONTACT:
(Press Secretary)

TAX DAY 1990 "DAY OF MOURNING FOR TAX FAIRNESS", SAYS DEMOCRATIC CONGRESSMAN _____

After a decade of Republican tax cuts for the wealthy and tax increases on working families, Congressman _____ today called tax return filing day April 16th "a national day of mourning for basic tax fairness."

"Nine out of ten American families are paying more federal taxes than they did before the Reagan-Bush wrecking crew took a crowbar to our tax system," said Congressman _____. "What used to be the fairest tax in the land has become a cornucopia of giveaways to the wealthy, and a thumb in the eye of people who work for a living."

The Congressman cited a recent study of the tax code which found that:

- o The top 1 percent of the population, with average incomes of \$549,000 each, enjoys tax breaks worth \$82,196 per year compared to the pre-1978 tax system -- a 36 percent less in taxes.

- o The typical middle-income family earning \$31,000 pays \$409 more in inflation-adjusted dollars -- an increase of 7 percent in their yearly tax bill.

"Even relatively well-off families making between \$30,000 and \$64,000 have seen their taxes go up," said Congressman _____. "Wall Street junk-bond pirates, Fortune 500 corporate executives, and wealthy heirs are paying lower tax rates than two-earner couples or even professional people."

The top marginal tax rate on those who earn between \$74,000 and \$180,000 is 33 percent. For those who make more than \$180,000 -- who comprise less than 4 percent of American families -- the rate is only 28 percent.

"When George Bush smiles and says "Read my Lips," I think he is laughing all the way to the bank. If the wealthiest taxpayers, in the top 1 percent had to pay their taxes at 1978 rates, they would have to kick in another \$84 billion. The simple truth is that we would not have a \$200 billion deficit -- or a tax system that puts most of the burden on the middle class -- and Donald Trump and Leona Helmsley had to pay their fair share of taxes."

"There is something wrong with a system that has allowed the after-tax incomes for families earning \$31,000 or less to drop as much as 14 percent since 1977, while incomes for the richest Americans have more than doubled," said Congressman _____. "And it's wrong to take taxpayer's money and spend it on interest payments to Uncle Sam's bondholders, just so that people who make over \$500,000 a year can avoid \$84 billion in taxes."

""If George Bush wants American taxpayers to believe that he is kinder and gentler, he had best get to work on the tax system -- before there is a middle class revolt."