

SNOHOMISH WASHINGTON NEWSPAPER

Monday, September 13, 2010

# The Snohomish Times

Snohomish, WA

Fog  
57°FRealFeel®: 60°F  
Winds: Calm

Today	Tuesday	Wednesday
 67°/52°	 70°/52°	 70°/55°

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Published:2010-09-12 Opinion

## Expiring Bush tax cuts will hit Washingtonians hard

by Paul Guppy  
Vice President for Research

How would you like to do nothing and receive \$2.8 trillion? That is what Congress is on course to do on December 31st. On that date the tax cuts enacted under President Bush expire, and federal tax rates will immediately revert to the level they were at ten years ago, taking us back to an era of higher taxes and lower take-home pay.

Washingtonians will be hit hard. According to the Tax Foundation, the average middle income-family will see its take-home income fall by \$1,574 next year alone.



Snohomish River and Historic First Street

People have conflicting opinions about President Bush and his eight-year presidency, but one thing is certain, he was serious about reducing the financial burden the federal government places on its citizens. The landmark tax relief bills he signed in 2001 and 2003 are among the largest tax cuts in U.S. history. These bills formed the centerpiece of Bush's domestic policy, and together they freed more than a trillion dollars for private-sector business growth and job creation.

The tax cuts were also good social policy. They encouraged entrepreneurship and financial independence by rewarding work, savings and investment. They promoted social justice and fairness. Letting people keep more of what they earn reduces the reach of government power, and allows citizens to care for their families, give to charity, volunteer more and otherwise contribute to our nation's civic life.

Those wide-ranging social and economic benefits are now at risk. The expiration of the Bush tax cuts would increase federal taxes across the board, with tax rates for low-income families rising the most. While the top rate would increase by 13%, from 35% to 39.6%, low-income earners would see a rate hike of 50%, as the lowest rate increases from 10% to 15%.

Families with children would see the child tax credit cut in half, from \$1,000 down to \$500 a year. This policy change would function as a tax on kids, with larger families being hit hardest. The household budget of a couple with four children would be cut by \$2,000 in 2011. Higher taxes on children would discourage adoption, meaning fewer waiting children would be placed with a forever family.

At a time when people are trying to reduce personal debt, federal taxes on saving and investment would soar. The tax rate on capital gains would increase by 33%, rising from a 15% tax rate to 20%. The rate on qualified dividends would rise even more, jumping from 15% to as high as 39.6%. The marriage penalty would return, so married income earners would again pay more than if they filed as singles.

Washington state's economy, with its reliance on world trade, aerospace, high-tech software and cutting edge medical research, depends heavily on access to a steady supply of venture capital. Every additional dollar sent to the federal treasury means one less dollar available in our state to expand a business or create a job.

Higher taxes on investment would particularly hit the elderly living on fixed incomes. Not only would the government take more of the dividend payments seniors receive, there would be fewer dividends paid out overall. A study by the independent CATO Institute found that as taxes on dividends rise, companies are less likely to pay dividends in the first place. This is harsh news for seniors relying on a lifetime of careful investing to make them secure in their old age.

Investment earnings are no longer limited to the retired and the wealthy. Today millions of working Americans participate in the stock market through 401ks, IRAs and employer pension plans. If the federal levy on investments returns to pre-Bush levels, Barclay's Capital predicts stock prices would drop 8%, meaning thousands of dollars in lost value for households in Washington and across the country.

For Members of Congress campaigning in a tough election year, letting the Bush tax cuts expire seems like the ideal political strategy. With no roll call vote, no floor debate, and no annoying inquiries from local reporters, they need only sit back and wait for the money to roll in. When

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2010-08-15

Material girl Michelle Obama is a modern-day Marie Antoinette



Posted by: Internet

Material girl Michelle Obama is a modern-day Marie Antoinette on a glitzy Spanish vacation. Sacrifice is something that many Americans are becoming all too familiar with during this economic downturn. It was a key theme in President Obama's inaugural address to the nation, and he's referenced it numerous times when lecturing the country on how to get back on its feet.

But while most of the country is pinching pennies and downsizing summer sojourns - or forgoing them altogether - the Obamas don't seem to be heeding their own advice. While many of us are struggling, the First Lady is spending the next few days in a five-star hotel on the chic Costa del Sol in southern Spain with 40 of her "closest friends."

<http://www.nydailynews.com/opinions>

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the higher taxes hit in January, however, their constituents may feel differently.

Letting the Bush cuts expire would turn back the clock, imposing one of the largest tax increases ever, just as Washingtonians and all Americans are struggling to recover from the worst economy in decades.

Paul Guppy is Vice President for Research at Washington Policy Center, a non-partisan independent policy research organization in Washington state. For more information visit [washingtonpolicy.org](http://washingtonpolicy.org).

2010-05-28 | Snohomish City Newsletter

Letters and Your Stories

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Democrats Vote Down 5 Percent Rule  
Citizen Statesman not Politician  
Post Traumatic Stress Disorder awareness Fundraiser  
HEADLINES FROM THE YEAR: 2029  
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44th District  
McChrystal - Obama Biography Comparisons  
Missing 15 year old girl  
Helping you understand

Published: Sunday, September 12, 2010



**DNR purchases of 1,300 acres of forestland for \$2.1 million**

The Board of Natural Resources approved the purchase of 1,300 acres of forestland in south-central Skagit County and northern Snohomish County. DNR's purchase assures that the area will remain a working forest.

Published: Sunday, September 12, 2010

**Expiring Bush tax cuts will hit Washingtonians hard**

by Paul Guppy - How would you like to do nothing and receive \$2.8 trillion? That is what Congress is on course to do on December 31st. On that date the tax cuts enacted under President Bush expire, and federal tax rates will immediately revert to the level they were at ten years ago, taking us back to an era of higher taxes and lower take-home pay.

Published: Friday, September 10, 2010

**County offers energy efficiency grants to cities, nonprofits**

Snohomish County is accepting grant applications from local municipalities and nonprofits for energy efficiency improvements.

Published: Thursday, September 09, 2010

**Cal Brown's petition to commute**

Gregoire today issued the following statement on Cal Brown's petition to commute his death sentence to life in prison without the possibility of parole.

Published: Wednesday, September 08, 2010

**FEMA Awards Evergreen State College Over \$1 Million For Seismic Retrofits**

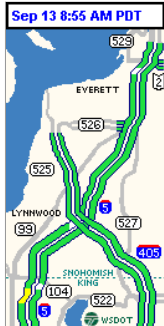
The U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) has obligated \$1,092,347 in Hazard Mitigation Grant Program (HMGP) funding to the state of Washington for seismic retrofitting of the Evergreen State College's Dormitory Residence Hall A.

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- Published: 2010-09-07  
'Clash of the Titans' Grizzlies vs Colts
- Published: 2010-09-06  
Community Transit's 70th Active Million Mile Driver
- Published: 2010-09-05  
Grizzlies put up the first 49 in home opener.
- Published: 2010-09-04  
September is National Preparedness Month: Is Your Family Ready?
- Published: 2010-09-03  
East Soper Hill Road is back open
- Published: 2010-09-03  
'The General' has assembled a new group of gridiron veterans

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