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How 95 percent of Nevadans got a 'tax cut'

Posted by **Thomas Mitchell**

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In his opening remarks during his debate with Sharron Angle, Harry Reid flatly stated, “Taxes. We reduced taxes for 95 percent of Nevadans, and all Americans.”

During his State of the Union address in January, President Obama said virtually the same thing. “We cut taxes for 95 percent of working families.”

I kept thinking there was something odd about that figure because I recalled reading nearly half of all Americans pay no income taxes. They pay for Social Security and Medicare but no income taxes at all. So how could 95 percent get a tax break if half paid none? How do you get a cut from zero?

It took a few minutes on a couple of different search engines, wading through self-styled fact checkers, blogs and propagandists, but eventually I found a succinct and simple explanation.


After the State of the Union, Cato Institute’s [Director of Tax Policy Studies Chris Edwards said](#), “When the president says that he has ‘cut taxes’ for 95 percent of Americans, he fails to note that more than 40 percent of Americans pay no federal incomes taxes and the administration has simply increased subsidy checks to this group. Obama’s refundable tax credits are unearned subsidies, not tax cuts.”

Semantics? Or redistribution?

Run down to 1:35 for the Reid tax quote:

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