

PRESS RELEASE

FOR IMMEDIATE RELEASE
Monday, October 15, 2012

CONTACT Brian Stephens
stephens@cphp.org
512.823.2871

Congressional Proposals Would Extend Tax Breaks for Small Group of Wealthy Texans While Ending Help for Thousands of Working Families

(AUSTIN, TEXAS) — Recent proposals from Congressional leaders would extend lucrative tax breaks for an estimated 540 multi-million-dollar estates in Texas while letting tax improvements expire for 1.5 million moderate-income Texas working families with nearly 3 million children, according to a new report from the nonpartisan Center on Budget and Policy Priorities.

The proposals would continue an estate tax cut Congress enacted in 2010 that would benefit just the wealthiest 0.3 percent of estates (about 7,000 estates nationwide), expanding budget deficits by \$141 billion over ten years. But the proposals would *not* continue vital tax credit improvements for 25 million working families including the Child Tax Credit (CTC), the Earned Income Tax Credit (EITC), and the American Opportunity Tax Credit (AOTC). Failure to extend these tax credit improvements would push over a million people, including 900,000 children, into poverty nationwide. It would also reduce federal financial assistance for nearly 11 million low-and middle-income families to help them gain access to higher education.

“Texas’ Senators and Representatives should reject proposals that would push thousands of working families and their children into poverty, while delivering a significant tax break to just 540 of Texas’ wealthiest estates,” said Dick Lavine, senior fiscal analyst from the Center for Public Policy Priorities. “Low- and middle-income families depend on refundable tax credits to stay afloat and provide their children with a brighter future. These families should not have to sacrifice even more than they already have to provide yet another tax break to the wealthiest Americans.”

In 2010, Congress passed a generous, temporary estate tax cut for the wealthiest 3 out of every 1,000 estates, providing them with a windfall of an additional \$1.1 million, on average, and costing \$119 billion over a decade in lost revenue. This significant cut followed nine years of considerable reductions in the estate tax which quadrupled the amount that heirs can receive tax-free.

The House and Senate leadership proposals would continue this generous exemption, while failing to continue tax credit improvements for working families that Congress extended at the same time it cut the estate tax. Those improvements are slated to expire December 31.

— CPPP —

The Center’s full report can be found at: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3850> .

For More Information

For more information or to request an interview CPPP Senior Fiscal Analyst Dick Lavine, please contact Brian Stephens at stephens@cphp.org or 512.320.0222, ext. 112.

About CPPP

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to make a better Texas. You can learn more about the Center at Cphp.org.

Join us across the Web

Twitter: [@Cphp_TX](https://twitter.com/Cphp_TX)

Facebook: Facebook.com/bettertexas

YouTube: YouTube.com/Cphpvideo