

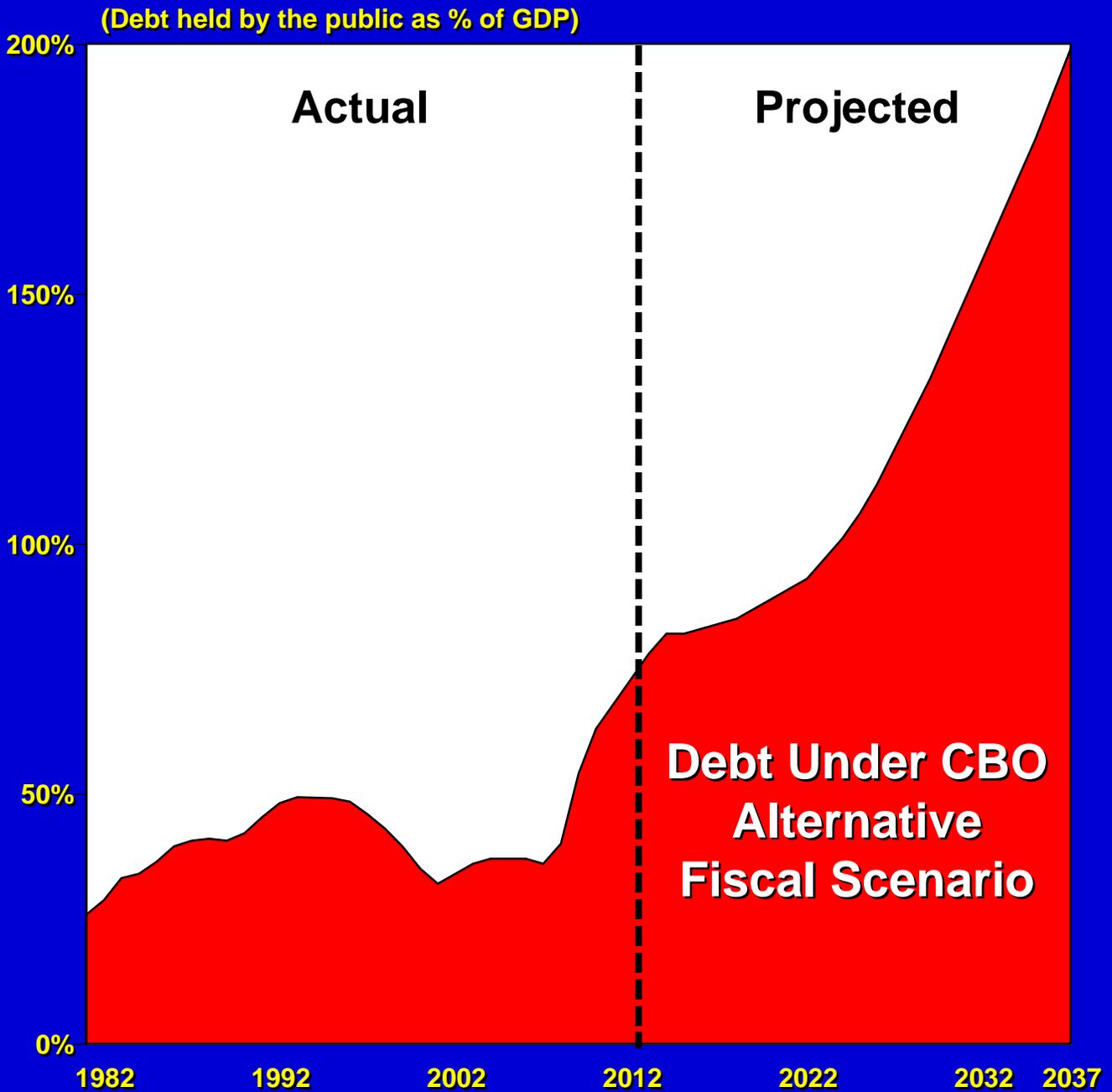
Middle-Class Tax Relief Act of 2012

- **Extends expiring provisions on income below \$250,000**
 - Individual income tax rates
 - Capital gains and dividend rates
- **Includes incentives to promote work and support families**
- **Provides relief from individual AMT for one year**

Last Time Top Rate Was 39.6%, We Experienced Longest Period of Uninterrupted Economic Growth in U.S. History

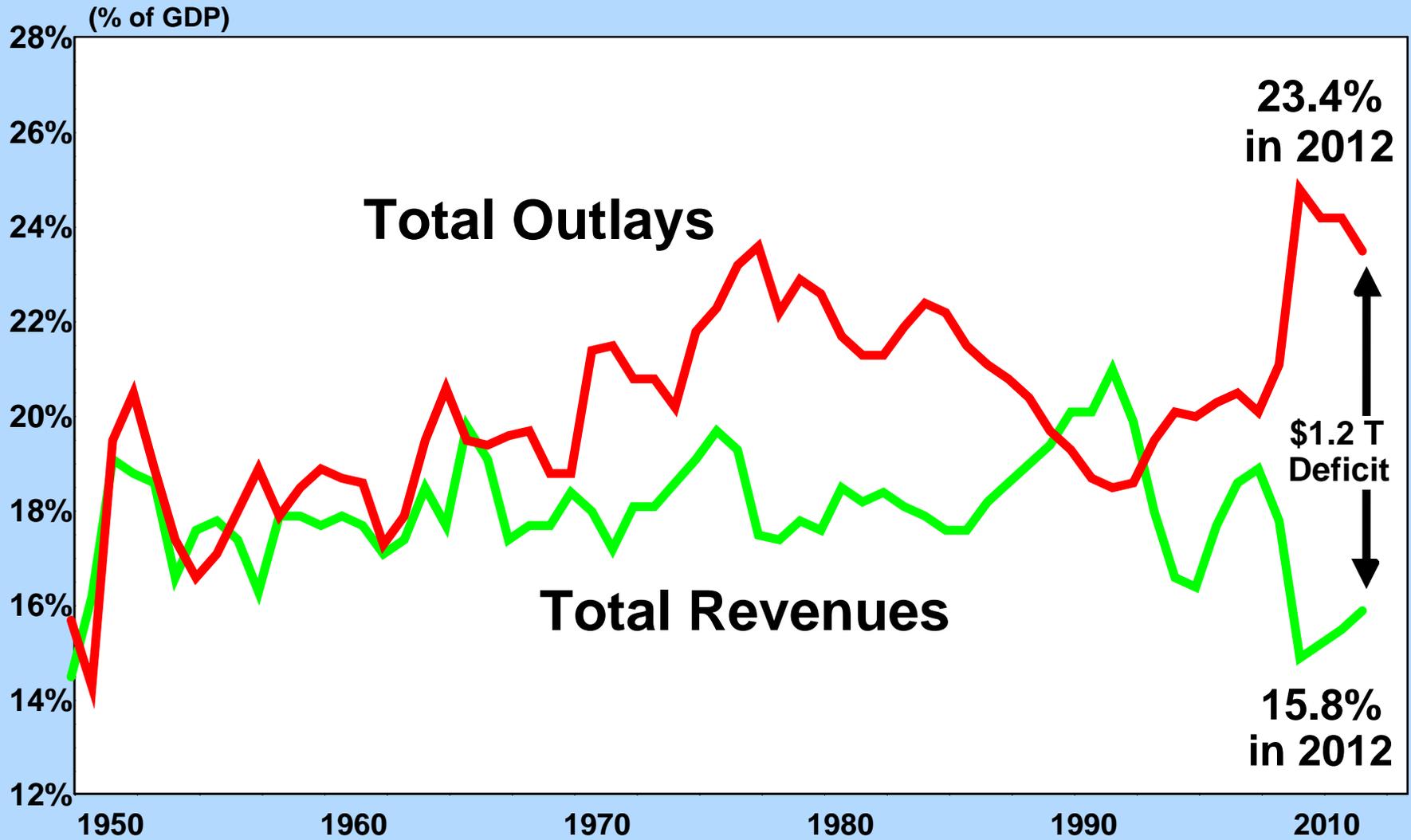
- **39 quarters of economic growth**
 - **1991–2000**
- **24 million jobs created**
 - **Best record ever**

CBO Long-Term Debt Outlook



Source: CBO Long-Term Budget Outlook, June 2012
Note: CBO alternative fiscal scenario.

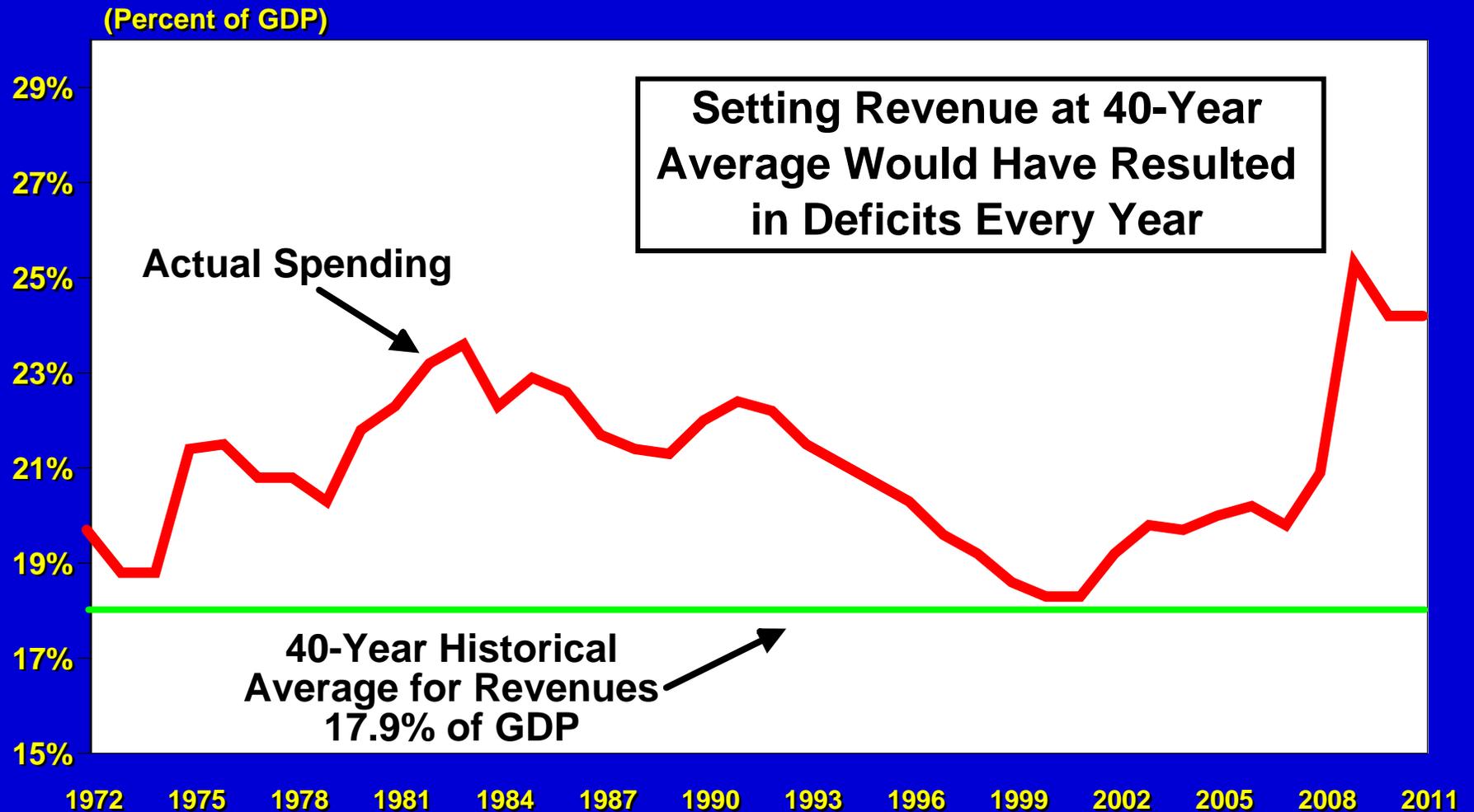
Spending and Revenues



Sources: OMB, CBO

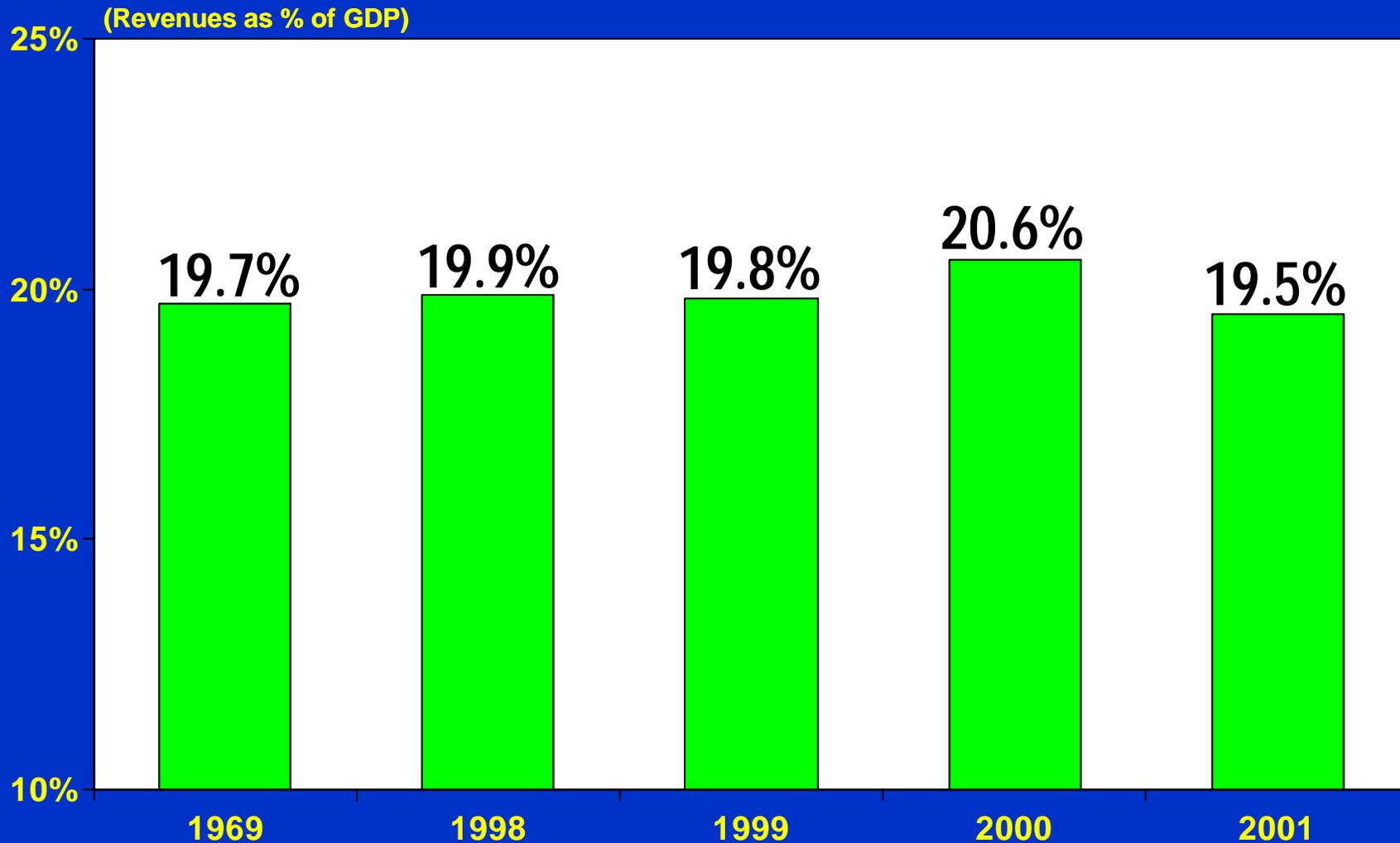
Note: 2012 estimate from CBO's March 2012 baseline.

Historical Average for Revenues is Not a Useful Benchmark



Source: CBO

Last Five Times Budget in Surplus, Revenues Near 20% of GDP



Source: OMB

Former Senate Budget Committee Chairman Gregg on Need for More Revenue

“...[W]e also know revenues are going to have to go up, if you’re going to maintain a stable economy and a productive economy, because of the simple fact that you’re going to have this huge generation that has to be paid for.”

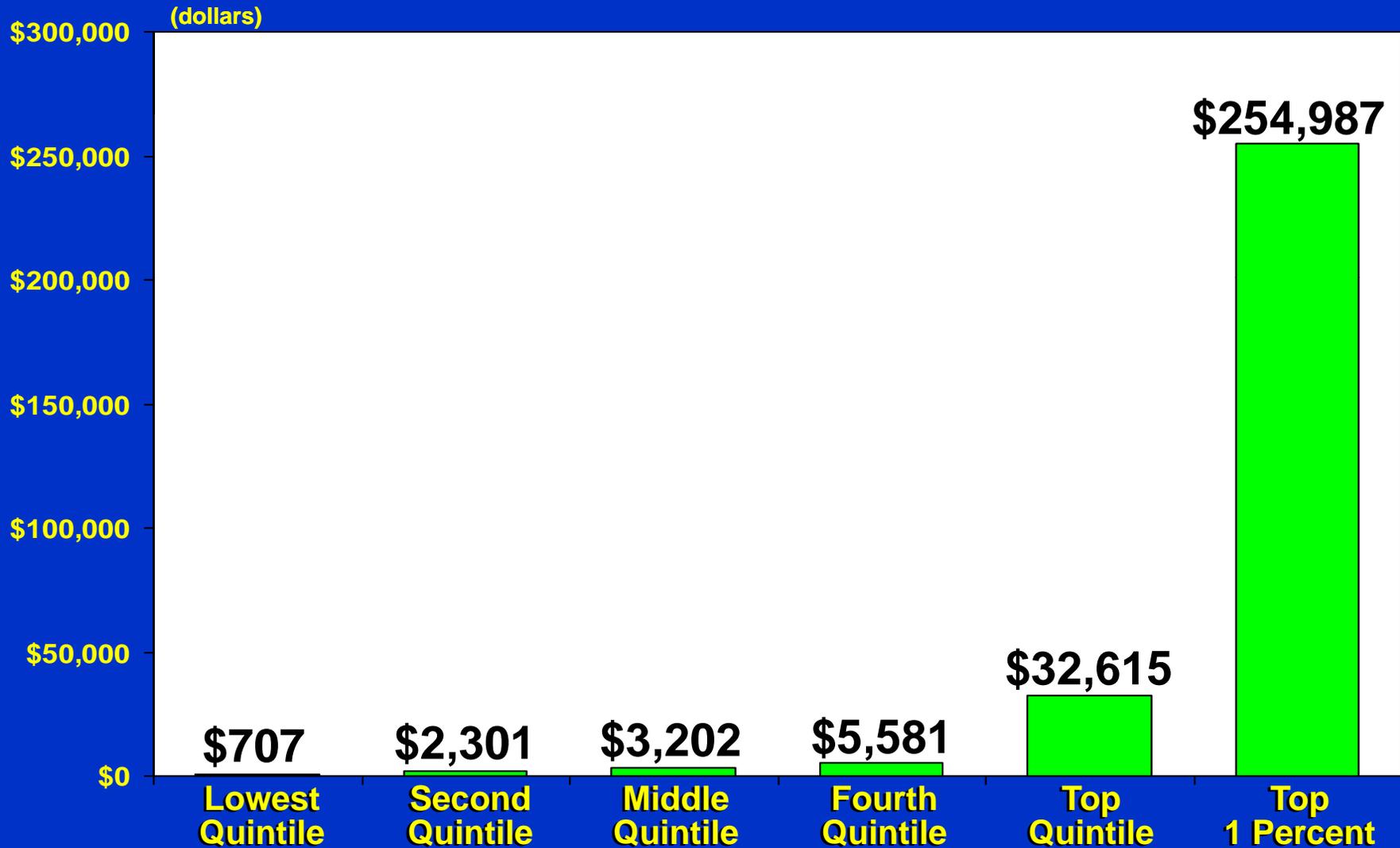
– Former Senate Budget Committee Chairman Judd Gregg (R-NH)
Remarks at Senate Budget Committee Hearing
January 31, 2007

Some Wealthy Paying No Federal Income Tax

<u>Income Group</u>	<u>Number of Tax Filers With No Liability in 2010</u>
\$500 K - \$1 M	14,000
Over \$1 M	4,000

Source: CNN Money.com based on data from Tax Policy Center

Increase in After-Tax Income from Tax Expenditures



Source: SBC calculations using data from Tax Policy Center
Note: Reflects 2012.