



## Extending Bush Tax Cuts

By Rod Blum

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The older I get the less I pay attention to what people SAY and the more I pay attention to what they actually DO. And based upon what the Obama administration actually does, I'm convinced they're either bipolar or skipped economics classes to attend community organizing meetings.

Our ruling class says it's for the little guy and small business. But their actions have done little to help the small guy or Main Street business. Who has received trillion dollar bailouts? Wall Street has – not small business owners. Who has access to meet with the President to grovel for special treatment? Big business and big unions have – not the little guy. Who regularly receives special treatment and favors from this liberal administration? Big government, big unions and big business. The fact that small business creates seventy percent of all jobs in the U.S. through ingenuity, perseverance and just plain hard work is lost on this administration.

Not long ago America celebrated perseverance, hard work, personal responsibility and success. They're the reasons we were the envy of the world economically. Sadly today, in order to divide the electorate against each other for political gain, government has convinced many Americans that success is something that should be punished! If a citizen studies hard, works hard, stays out of trouble, plays by the rules and becomes successful, let's slap them around by taxing the bejesus out of them. That's just plain un-American.

Though Democrats demagogue the Bush tax cuts as cuts that helped only the rich, actually the Bush tax cuts allowed ALL Americans to keep more of what they earned. In fact, after the tax cuts, the "rich" shouldered even more of the U.S. income tax burden. Total income tax paid by the top twenty percent of households increased from eighty-one to eighty-five percent. In 1980, when the top income tax rate was seventy percent, the top one percent of households paid nineteen percent of all income taxes; now, with a top rate of thirty-five percent, they pay more than double that share.

If Obama wants federal tax revenues to grow, increasing the tax rate is not the solution. When tax rates go up, tax revenue has historically gone down. When tax rates go down, tax revenue has historically gone up. For example, the government is trying to discourage smoking. How? By raising taxes on cigarettes because they know if you tax something you will get less of it. So let's connect the dots: raise taxes on job creators and we will get fewer jobs. I've run out of my Harvard SmartCreme, but this is just basic economics.

Folks - we don't have a revenue problem. The Office of Management and Budget reports that total federal revenues were \$2.025 trillion in 2000, when Bush took office and increased to \$2,524 trillion in 2008 when he left office. That's a twenty-five percent increase with the tax cuts.

What we DO have is a spending addiction. Federal spending when Bush took office in 2000 was \$1.789 trillion. In 2010 under Obama and the spendaholic Congress, the federal government will spend \$3.721 trillion; that's an eye-popping 108% increase in just ten years. It doesn't take Barney Frank and Nancy Peolosi to figure out the problem.

Cut taxes for productive Americans and small business and we will see a rebirth of American entrepreneurship, ingenuity and JOBS. Ronald Reagan said it best when he said, "Our federal tax system is, utterly impossible, utterly unjust and completely counterproductive. It reeks with injustice and is fundamentally un-American. It has earned a rebellion and it's time we rebelled."