



TIPRA, the Poison Pill

by [piec](#)

Tue Feb 27, 2007 at 02:56:27 AM PDT

(A commentary)

I was reading the diary, "Capital Gains and Dividend Tax Cuts Are Robbery" by Dean Nut 2/18/2007.

Interesting thought...to have all your income coming from investments just to have a lower tax.

I'd say, though, that is a very risky way to live because then you're totally at the mercy of selfish, economy saboteurs who we have stupidly elected to our very own government. What a shameful group of individuals they are, too! Caring nothing for their country. Caring only for their selfish, hogging selves! Everyone of them should be tried as traitors!

Look back to recent history, to May 17, 2006. What happened on that day.....?

- [piec's diary :: ::](#)
-

Bush signed the extension of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). The new bill, called the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA), didn't have anything to do with stimulating the economy in a post-911 period. Bush and his fellow Republicans knew that the war wasn't going well and that the US people were down on them for it. The mood of the country was becoming increasingly more anti-Republican with every US soldier that came home in a coffin. The Republican party was bleakly looking toward the November 2006 elections and surely would lose their tails off. The party needed to do some long-range planning. Thus, the TIPRA passed legislature: the House of Representatives approved (H.R. 4297) by a vote of 244 Republicans to 185 Democrats opposed, and the Senate approved it 54 Republicans to 44 Democrats opposed.

Yes, this was long-range planning. TIPRA was a poison pill for the US economy because it extended the pain that people would start feeling in their pocket books beginning on January 1, 2008. Originally, 2008, a presidential election year, was set up to be the ONLY year that the capital gains tax rates for 10% and 15% bracketed filers would drop from 5% to 0%.

Short term, this bottoming out of tax rates in those tax brackets would stimulate the market and, thus, the economy. But because of the extension created with TIPRA, the rock bottom percentage would not be a "good thing", but a huge market-swinger, a market-swinger toward recession---simply because the Republicans wished the "good thing" to become a poison pill and, thereby, drag controlling-democrats down into a spiraling hole for the duration of three, entire years.

On January 1, 2011, as the law now stands, everything will sunset. This, 2011, is the third year of the next presidential election cycle. Right when the country will be deepening into recession, the tax brackets will sunset. This means that everything tax-wise will be as it was pre-911. Ten percent, 15%, 25%, 28%, 33%, and 35% tax brackets will become, once again, 15%, 28%, 31%, 36%, and 39.6 brackets. Actual cash dollars will be squeezed out of every man, woman, and child in the form of raised taxes, and just when they thought that they couldn't bleed anymore. The capital gains tax rates will also sunset. The post-911 tax brackets of capital gains and qualifying dividend rates of 0% for 10% and 15% bracketed filers and 15% for everyone else will become the old 10% for gains in the 15% bracket and all others will be 20%. Plus, that screwing five-year holding period rule will be back to trap people again for good. Yes, TIPRA's only purpose was to sabotage the US economy and drive the power of congress back to Republicans in 2012.

It absolutely makes me sick to see fellow Americans operate like this...tear the whole country and weaken it, just to satisfy some evil, selfish desire for power. We never sent them to government to serve ONLY themselves!

Tags: capital gains tax, tax increase, recession, TIPRA, George W. Bush, Republicans, JGTRRA, 2008 elections (all tags)