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The Monster Republican Tax Hike

[blue bunting](#)

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The Monster Republican Tax Hike

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Blue ★★ - 6 days ago - [angrybear.blogspot.com](#)

Following the example set by their Senate brethren last Friday, House Democrats will adopt a budget resolution containing the largest tax increase in U.S. history amid massive national inattention. Bet you didn't know that, eh?

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Blue Bunting
(526)

Tuesday April 3, 2007, 8:32 pm

Last week I made a note to link to [this post](#) at Obsidian Wings. I just spotted the note.

Hilzoy notes the [commentary](#) in [some quarters](#) that:

Following the example set by their Senate brethren last Friday, House Democrats will adopt a budget resolution containing the largest tax increase in U.S. history amid massive national inattention.

Bet you didn't know that, eh? The Dems are already pushing through the largest tax increase in US history! And nobody is paying attention!

Anyway, Hilzoy digs a bit further into the story. It really is [owrth reading](#).

Long story short... Republican Congresses chose not to make their tax cuts (or, as PGL would note, their tax deferrals) permanent. They didn't have to put in a sunset clause - they chose to, in an attempt to make long term projections look better. Even with that obfuscation, the situation no longer looks quite so rosy. But... if the new Democratic Congress doesn't do what the Republican Congresses that preceded it failed to do, namely make the tax cut permanent, well, that's the equivalent of the Democrats pushing the largest tax increase in history.

Maybe its just me... but since this whole thing was planned and executed by a Republican Congress under a Republican President, shouldn't we be refering to this as the Republican's tax increase? And my bet is that there are a lot of Republicans in Congress now, and that will be seeking re-election some time soon, that voted for this massive tax increase.



Blue Bunting
(526)

Tuesday April 3, 2007, 9:07 pm
Fact Check

Robert Novak wrote [this](#) in today's Washington Post:

"Following the example set by their Senate brethren last Friday, House Democrats will adopt a budget

[blue's contri](#)

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resolution containing the largest tax increase in U.S. history amid massive national inattention.

Nobody's tax payment will increase immediately, but the budget resolutions set a pattern for years ahead. The House version would increase non-defense, non-emergency spending by \$22.5 billion for next fiscal year, with such spending to rise 2.4 percent in each of the next three years. To pay for these increases, the resolution would raise taxes by close to \$400 billion over five years – about \$100 billion more than what was passed in the Senate."

Heavens, I said to myself, what can Robert Novak possibly be talking about? The [Democrats' budget](#) (pdf, h/t [The Gavel](#)) does not actually contain any tax increases:

And yet this claim that the Democrats' budget contains a tax increase is being cited [all over the place](#). So what's up?

Novak gives us a clue:

"It had been assumed that the new Democratic majority would end President Bush's relief in capital gains, dividend and estate taxation. The simultaneous rollback of Bush-sponsored income tax cuts was a surprise."

Ah. Rolling back the Bush tax cuts. But wouldn't that still require some actual changes in revenues from the baseline projections? A GOP Budget Caucus [press release](#) gives us further details:

Note that word 'automatic'. It's quite worrying. How did the Democrats manage to create an automatic tax increase? Don't tax increases normally have to be enacted? I hope so. It would be awful if tax increases could just happen automatically. Come to think of it, it would be even worse if it turns out that this isn't confined to the tax code, and all sorts of laws could be passed automatically. I mean, who knows what the US Code might decide to do to itself, without the intervention of any human agent? We could wake up one morning to find that ping pong had been automatically criminalized, or that a requirement that all Americans wear silly clown costumes had automatically come into force, or that all our national parks had automatically sold themselves to WalMart. The possibilities are horrifying.

Imagine my relief when I realized what was actually going on. The Bush tax cuts are set to expire automatically. They were written that way. What the Democrats are proposing to do is simply not to change this.

Moreover, guess who wrote these sunset provisions into the tax increases? The Republicans, that's who. They were trying to make the tax increases seem less fiscally ruinous than they were, so they made them last only so long before they expired. (This is why I expect 2010 to produce a spike in mortality among the very rich: the heirs of people who die during 2010 pay no estate tax; the heirs of people who die in 2011 pay 50% on all the money they inherit above the level at which the estate tax kicks in. As [Paul Krugman](#) said, "That creates some interesting incentives. Maybe they should have called it the Throw Momma From the Train Act of 2001.")

So here's what Novak's "largest tax increase in U.S. history" actually comes to: the Republicans passed a series of tax cuts that they set up to expire. They intended to make them permanent, but never got around to it. The Democrats are proposing to leave their tax cuts alone. But this counts as a tax increase, apparently on the grounds that whatever Republicans sorta kinda thought they were going to do, but never actually got around to doing, counts as already done, and anyone who proposes to leave things alone counts as undoing the things they were intending to do.

That's a fun way to think. Maybe we should also count the Democrats as having dramatically increased the budget deficit, on the grounds that the Republicans kinda sorta said they were going to make it go away, so even though they didn't, we should act as though they did and compare whatever deficits the Democrats incur to the Republicans' imaginary balanced budget. Maybe, if things in Iraq continue to go badly, we should compare that not to the situation when the Democrats took over, but to the situation that would have obtained if the Republicans had in fact produced a beacon of democracy that transformed the Middle East, and say: hey, you awful Democrats, we were being greeted with flowers and candy, and hailed as liberators, and now look what's happened to Baghdad!!!!

Or maybe we should try living in the real world. The Democrats are proposing to leave tax laws written and enacted by Republicans alone. That does not count as increasing taxes.

Thursday April 5, 2007, 11:21 am

Ditto, Blue...it's all a political ploy, as usual. ("High Treason" has been THE neocon agenda since the 80's.)



Michaelena Whittaker (0)

Saturday April 7, 2007, 11:14 pm

Impeachment is the only way to end these atrocities and reclaim America's conscience and honor.

<http://www.care2.com/c2c/groups/disc.html?gpp=11736&pst=633140>

Read this thread and take action to impeach.

Also follow my news shares on withholding your taxes as a protest.



Indigo Star Nation (171)