



August 5, 2010

Dear Senator,

We're writing to express our strong opposition to recent proposals to temporarily extend the tax cuts for wealthy Americans adopted in 2001 and scheduled to expire this year. While some argue that continuing the tax cuts for the wealthy is necessary for a stronger recovery and job creation, the reality is that it would have little positive impact on the economy and would pose serious risks to our long-term economic health.

A Congressional Budget Office analysis found that extending the 2001 and 2003 tax cuts for high-income households would do less to stimulate the economy than any other stimulus proposal CBO examined. An extension would cost about \$40 billion for 2011, and according to CBO's analysis, spending these funds instead to extend unemployment insurance benefits or enact a job-creation tax credit would create many more jobs and much more growth.

Even a temporary extension of the high-income tax cuts would be a mistake. Not only are there better ways to spur job creation, but a temporary extension would likely lead to further extensions down the road and possibly a *permanent* extension in the next Congress. Over the next decade, extending all of the 2001 and 2003 tax cuts would increase deficits and debt by \$1 trillion *more* than if (as we favor) Congress extended only those tax cuts that benefit middle- and lower-income working families.

Of course, high-income families will still benefit from the extension of lower rates.

Over recent months, the Congress and the American public have become more focused on our long-term fiscal problems. This led to the creation of the bipartisan National Commission on Fiscal Responsibility and Reform earlier this year, as well as proposals to cut spending that have gained support in Congress. Given this increasing concern about our fiscal trajectory, it makes little sense to adopt a policy that has the potential to worsen it substantially, including a temporary extension.

Letting the high-income tax cuts expire on schedule also has significant popular support. Polls indicate that a majority of the public favor increasing taxes on higher-income taxpayers who have received substantial tax breaks in order to reduce the deficit.

In closing, we strongly urge the Congress to extend *only* those tax cuts enacted in 2001, as amended, that are targeted on middle- and lower-income working families. We can't afford to extend the Bush era tax cuts for the wealthy that will do little to help the economy and deny us the opportunity to invest in the economy in the short run and begin to address the deficit once the economy picks up.

This is one of the most important fiscal decisions Congress will make in years; the American public is counting on Congress to be fiscally responsible and make the right choice about which tax cuts to extend – and which to let expire.

Sincerely,

9to5, National Association of Working Women  
AFL-CIO  
AFSCME  
AFT – American Federation of Teachers  
Alliance for Retired Americans  
American Association of University Women  
Americans For Democratic Action  
AFGE - American Federation of Government Employees  
Campaign for Community Change  
Campaign for America’s Future  
Center for American Progress  
Child Welfare League of America  
Children's Advocacy Institute  
CTJ - Citizens for Tax Justice  
CLASP - Center for Law and Social Policy  
CHN - Coalition on Human Needs  
Communications Workers of America  
Community Action Partnership  
Community Organizations in Action  
Every Child Matters Education Fund  
Insight Center for Community Economic Development  
Institute for Policy Studies-Program on Inequality and the Common Good  
Interfaith Worker Justice  
Leadership Conference of Women Religious  
Leadership Team of the Institute of the Sisters of Mercy of the Americas  
Main Street Alliance  
National Advocacy Center of the Sisters of the Good Shepherd  
National Association of Counsel for Children  
National Association for the Education of Young Children  
NEA - National Education Association  
National Employment Law Project  
National Low Income Housing Coalition  
NOW - National Organization for Women  
National Women's Law Center  
NETWORK, A National Catholic Social Justice Lobby  
Northwest Federation of Community Organizations  
OMB Watch  
Responsible Wealth  
RESULTS  
SEIU - Service Employees International Union  
Turning Anger Into Change  
United Church of Christ, Justice and Witness Ministries  
UFE - United for a Fair Economy  
UTU - United Transportation Union  
USAction  
Voices for Progress  
Women's Institute for Freedom of the Press  
YWCA USA  
UAW - International Union, United Automobile, Aerospace & Agricultural Implement Workers of America