

November 18, 2010

Dear Senator,

We're writing to express our strong opposition to recent proposals to extend expiring Bush-era tax cuts for the wealthiest Americans. Continuing tax breaks for those who have been most insulated from the effects of the recent recession will do little to help the economy but will pose serious risks to our long-term economic health by adding hundreds of billions to the deficit.

We also object to any proposals that provide only temporary tax relief for working and middle class families and/or fail to extend the federal unemployment insurance benefit program through 2011. Unemployment has hovered close to the current rate of 9.6% for 18 consecutive months – with no end to this trend in sight – and close to 42% of the nearly 15 million unemployed have been searching for work for more than six months. Yet federally-funded benefits for these long-term unemployed workers are set to expire November 30, and more than two million will face benefit cutoffs in December alone if Congress does not pass an extension. Extending the federal unemployment benefits program through the end of next year to millions who are out of work through no fault of their own will protect families and put money directly into local economies.

The Congressional Budget Office estimates that unemployment benefits help the economy grow by up to 19 times more than extending tax cuts for the rich, because low-income families spend additional income quickly to meet basic needs. Continuing the 2009 improvements to the Child Tax Credit and Earned Income Tax Credit would also create jobs and bolster the economy. These tax credits are also effective at promoting work and supporting families. An extension of the upper-income tax cuts would cost about \$40 billion for 2011; according to CBO's analysis, spending these funds instead to extend unemployment insurance benefits or directly create jobs would be far more effective.

Even a temporary extension of the high-income tax cuts would be a mistake. There are better ways to spur job creation, and any "temporary" extension will likely be made permanent in the new Congress. Over the next decade, extending all of the 2001 and 2003 tax cuts for those making over \$250,000 would increase the deficit by \$700 billion.

Everyone, including upper-income taxpayers, will benefit if the middle class tax cuts are renewed, because of the way our marginal tax rate system works. It would be irresponsible to give the top two percent of taxpayers an additional cut. And the benefits for the very wealthy will be compounded unless a strong, permanent estate tax is reinstated. Restoring the estate tax to 2009 levels or stronger would affect only the top ¼ of one percent of estates, but would raise at least \$250 billion in revenues over 10 years.

Given the ongoing hardship for working families and those who have lost their jobs during the recession, as well as increasing concern about our fiscal trajectory, it makes no sense to adopt a policy that will put money in the pockets of those who need it the least while greatly expanding the deficit. The public understands this – poll after poll has shown that a solid majority favors allowing the tax breaks for the wealthiest to expire.

In closing, we strongly urge the Congress to make permanent the tax cuts for middle and lower-income families, to let the cuts for upper-income taxpayers expire as scheduled, and to extend unemployment benefits through the end of next year for the millions of Americans who still cannot find work.

Sincerely,

ABC Prison Literacy

AFL-CIO

AFSCME

American Association of University Women

American Federation of Teachers

Americans for Democratic Action

Americans for Responsible Taxes

Break the Cycle

CA NOW

Campaign for America's Future

Campaign for Community Change

Center for NuLeadership on Urban Solutions

Citizens for Tax Justice

CLASP

Coalition for Justice

Coalition on Human Needs

Common Cause

Communications Workers of America

Community Action Partnership

Democratic Socialists of America

Every Child Matters Education Fund

Florida Consumer Action Network

Food Research and Action Center (FRAC)

Generations United

Georgia Rural Urban Summit

Growth and Justice

Institute for Policy Studies - Cities for Progress

Institute for Policy Studies-Program on Inequality and the Common Good

Interfaith Worker Justice

International Brotherhood of Teamsters

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)

Jobs With Justice- National

Leadership Conference of Women Religious

Leadership Team of the Institute of the Sisters of Mercy of the Americas

Main Street Alliance

MomsRising

National Advocacy Center of the Sisters of the Good Shepherd

National Alliance to Combat Sexual Violence

National Coalition Against Domestic Violence
National Community Tax Coalition
National Council of Women's Organizations
National Education Association
National Employment Law Project
National Farmers Union
National Gay and Lesbian Task Force
National Low Income Housing Coalition
National Network of Abortion Funds
National WIC Association
National Women's Conference Committee
National Women's Law Center
Network:A National Catholic Social Justice Lobby
NOW of PA
NOW - Pasaic NJ
NOW of So Carolina Spartanburg
Nursing Network on Violence Against Women International
OMB Watch
PAFCO (Protecting Arizona's Family Coalition)
Progress Ohio
Public Justice Center
Racial and Ethnic Disparities Coalition
Responsible Wealth
RESULTS
Sakhi for South Asian Women
Sargent Shriver National Center on Poverty Law
SEIU
Sugar Law Center for Economic and Social Justice
Summit Health Institute for Research and Education, Inc.
The Corps Network
The National Trust for the Development of African-American Men
United for a Fair Economy
USAction
Washington State Labor Council, AFL-CIO
Wealth for the Common Good
Wider Opportunities for Women
WILPF - Portland Or
Women of Reform Judaism
Womens Law Project
Working America - AFL-CIO
2005 Supreme Court Case and International Commission on Human Rights, Gonzales v USA
9 to 5, National Association of Working Women

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