

Most States Shortchanged by Bush Tax Plan

A state-by-state analysis of the effects of President George W. Bush's tax plan finds wide variations in the size of the tax cuts not only by income, but also among the states. In fact, because the Bush tax cuts are so concentrated on the best-off taxpayers and thus in the states where the wealthiest Americans tend to live, the average tax reduction in 31 states is noticeably lower than the national average.

The 35-page report, released by Citizens for Tax Justice, shows that the **average tax reductions** under the Bush plan, when fully phased in, would range from a high of \$1,855 a year per taxpayer in Connecticut down to a low of \$708 a year per taxpayer in West Virginia.

- # The average tax reductions in Connecticut, Washington, D.C. and Nevada are each more than 25 percent higher than the national average tax cut.
- # In contrast, the average tax cuts in West Virginia, Montana, Mississippi, New Mexico, Arkansas, South Carolina and Kentucky are all more than 25 percent below the national average.

The median annual tax cuts—what taxpayers in the middle of the income scale would get—range from a high of \$796 a year per taxpayer in Alaska down to a low of \$409 a year in Mississippi.

The percentage of taxpayers getting no tax cut at all under the Bush program is particularly high in some states. For example, one out of every three Mississippi taxpayers would get no tax reduction under the Bush plan. That compares to one in six taxpayers who would get no tax cut in New Hampshire, and the national total of 24 percent of taxpayers who would get nothing at all from the Bush program.

“Residents of states that are shortchanged under the Bush tax program might logically prefer something very different than what the President has proposed,” noted CTJ director Robert S. McIntyre. “Alternatives could include debt reduction, continued or enhanced federal services, tax reductions that are distributed differently, or some combination of these that is fairer and makes more economic sense.”

“It’s also plausible that many citizens of states that get above-average tax cuts under the Bush program might favor other options,” McIntyre continued. “They may find the concentration of the Bush tax cuts on the rich (even within their own states) to be unwise or unfair. Or they may find public services and the fiscal and economic health of our nation more important than tax reductions. After all, eight of the 14 states that are targeted for above-average tax cuts voted for Al Gore in the last election.”

