



## Surtax on Millionaires to Help Veterans Would Be A Tiny Sacrifice for the Richest 0.3 Percent of Taxpayers

The U.S. House of Representatives is expected today to vote on an emergency supplemental spending bill to fund military operations in Iraq and Afghanistan, to improve veterans' education benefits and to extend unemployment insurance benefits to get jobless Americans through difficult times.

The veterans' provisions would improve the educational benefits available to veterans by increasing them to match the highest public university tuition in a given recipient's state and providing a monthly housing stipend.

This improvement in veterans' education benefits would cost about \$52 billion over ten years. To offset this cost, House Democrats have proposed a small surtax on those who have most enjoyed the benefits of living in and doing business in America. The surtax of 0.47 percent (just under half a percent) would apply to adjusted gross income (AGI) over a million dollars for married couples and over half a million dollars for other taxpayers.

The table below shows that in 2007 only 0.3 percent of taxpayers were rich enough to be affected by such a tax. Moreover, the sacrifice asked of them is tiny, equal to about 7 percent of their Bush tax cuts.

Annual effects of a proposed 0.47% surtax on adjusted gross income in excess of \$1 million for married couples and \$500,000 for others (at 2007 levels)							
	Surtax				Compare Bush tax cuts		Surtax reduces Bush tax cut by
	Number affected by surtax	% of all taxpayers affected	Total tax change (\$-billion)	Average tax change	Total tax change (\$-billion)	Average tax change	
<b>Married couples</b>	291,300	0.5%	\$ +3.0	\$ +10,240	\$ -43.6	\$ -149,620	-6.8%
<b>Others</b>	152,500	0.2%	+0.9	+5,960	-12.6	-82,880	-7.2%
<b>ALL</b>	<b>443,800</b>	<b>0.3%</b>	<b>\$ +3.9</b>	<b>\$ +8,770</b>	<b>\$ -56.2</b>	<b>\$ -126,690</b>	<b>-6.9%</b>

Note: Bush tax cut figures are for income tax reductions only.

Source: ITEP Tax Model, May 2008

“The surtax would simply scale back the Bush tax cuts for the richest 0.3 percent of taxpayers, by an average of just 7 percent, to help the men and women returning from the wars and their families,” said Robert S. McIntyre, director of Citizens for Tax Justice. “Lawmakers who oppose this proposal will prove that they really do value tax cuts for the wealthy over all else.”