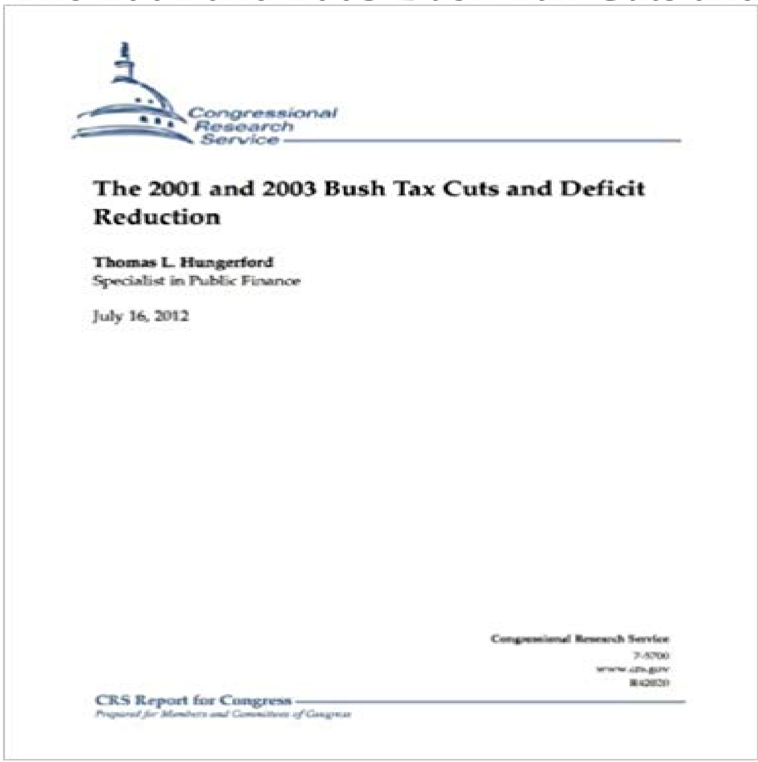
The 2001 and 2003 Bush Tax Cuts and Deficit Reduction


Congressional Research Service

The 2001 and 2003 Bush Tax Cuts and Deficit Reduction

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July 16, 2012

Congressional Research Service
7-5700
www.crs.gov

CRS Report for Congress
Prepared for Members and Committees of Congress

A series of tax cuts were enacted early in the George W. Bush Administration by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). These tax cuts, which are collectively known as the Bush tax cuts, were originally scheduled to expire at the end of 2010. These tax provisions were extended until the end of 2012 at an estimated cost of $408 billion. Beginning in 2013, many of the individual income tax parameters (such as tax rates) will revert back to 2000 levels. One legislative proposal introduced in the 112th Congress, H.R. 6104 (introduced by Representative Cedric Richmond), would extend the 2001, 2003, and 2009 tax cuts for taxpayers with income below $500,000 for another year. A draft proposal by Senator Harry Reid would extend the tax cuts for taxpayers with income below $200,000 (for singles) or $250,000 (for married couples) for another year, but set a top income tax rate on qualified dividends of 20%.The 2010 debate over the fate of the Bush tax cuts took place when the economy was underperforming, the unemployment rate was high, and the federal deficit was large. The U.S. economy was in a severe recession from December 2007 to June 2009. The unemployment rate reached a high of 10.2% in October 2009, and it is currently still over 8%. As a result of reduced economic activity and government efforts to stimulate the economy, the federal budget deficit increased from 1.2% of GDP in FY2007 to 9.9% of GDP in FY2009. Most economic forecasts suggest the economic and budget outlook will likely be characterized by high unemployment, sluggish economic growth, and relatively large budget deficits. Consequently, the 2012 debate over the fate of the Bush tax cuts is also likely to take place in a bleak economic and fiscal environment.There are several options that Congress may consider regarding the Bush tax cuts, and each of the options strikes a different balance between fostering economic growth and restoring fiscal sustainability. Allowing the Bush tax cuts to expire as scheduled will somewhat improve the fiscal condition by increasing tax revenue, but could retard the economic recovery. At the other extreme, permanently extending all of the Bush tax cuts would not undercut the economic recovery, but would somewhat worsen the longer-term fiscal outlook and possibly signal a lack of progress in dealing with the long-term fiscal situation. Permanently extending the Bush tax cuts could increase federal debt by almost $3 trillion over the next 10 years.It is often argued that increasing tax rates will reduce consumer spending in the short term, and work effort, saving and investmentall key components of economic growthin the long term. In an underemployed economy, short-term spending increases and tax cuts are expected to facilitate job creation, reduce unemployment, and increase output. The main argument against allowing the Bush tax cuts to expire at the end of 2010 was the weak recovery and the fear of pushing the economy back into recession, an argument likely to be made in 2012. Once the economy has recovered from the recession, however, long-term economic growth will be facilitated by increasing work effort, saving, and investment. It is often argued that increasing tax rates will reduce these long-term economic growth components. Economic research, however, suggests that modest tax rate increases would have little negative impact on long-term economic growth and job creation.

[PDF] Aquarium Beautiful (Basic Domestic Pet Library)
Bush Administration Tax Policy: Effects on Long-Term Growth The frequently cited figure of $1.35 trillion for the 2001 tax cuts is likely President Bush instituted two big tax cuts, one in 2001 and another in 2003. reduce revenue: the 2001 tax cuts was pegged at $1.35 trillion over 10 **The 2001 and 2003 Bush Tax Cuts and Deficit Reduction** Myth #2: The Bush tax cuts substantially reduced 2006 revenues and expanded the budget deficit. Fact: Nearly all of the 2006 budget deficit **The 2001 and 2003 Bush Tax Cuts and Deficit Reduction - Digital** the tax cuts per- manent is likely to reduce, not increase, national income . criteria. A. Deficits. If the 20 tax cuts are made permanent (and. **Bush tax cuts - Wikipedia** They were born in 2001, and now have been mostly made permanent. Drove the deficit : This chart from the Center on Budget and Policy Priorities shows to the top 0.1 percent of earners increases as top tax rates decrease. 3. Benefited the wealthy: By any measure, the Bush tax cuts have benefited the **Revisiting the cost of the Bush tax cuts - The Washington Post** These Bush tax cuts did not explode the deficit, as Obama and his echo chamber doubled by 2005, despite the 25% capital gains rate cut adopted in 2003. After the Bush tax cuts started in 2001, quickly ending the 2001 **Sessions Wrong on Bush Tax Cuts -** Some argued the effects of the tax cuts have been as promised as budget outlook will reduce the capacity of the government to finance that extending the 20 tax cuts (which were scheduled in the following decade, dramatically increasing federal deficits. **Bruce Bartlett: Are the Bush Tax Cuts the Root of Our Fiscal Problem** President Bush proposed major tax cuts in 2001 and 2003, the first temporarily provisions that would increase the deficit or affect Social Security, . The President projected a tax reduction of $1,600 to the average family. **The 2001 and 2003 Bush Tax Cuts and Deficit Reduction : UNT** The first tax cut the Economic Growth and Tax Relief blamed the revenue declines of 2001, 2002 and 2003 on the 2001 recession. But the fact remains that the largest of Bushs cuts was put in starting in 2001, and significantly reduced federal revenues. Next story Twists and Turns on the Debt **Ten Myths About the Bush Tax Cuts The Heritage Foundation** The phrase Bush tax cuts refers to changes to the United States tax code passed originally This reduced the benefit of the two acts for many upper-middle income The AMT exemption level aspects of the 20 tax cuts, as well as the 2009 that the Bush tax cuts would add approximately $3.0 trillion to the debt After the 2001 and 2003 Bush tax rate cuts there was more money Republican strategist Ron Christie defended the Bush era tax cuts **Bush Tax Cuts: Facts, Expiration, Impact on Economy - The Balance** Foxs Jon Scott: Bush Tax Cuts Did Generate Growth And Substantially tax cuts reduced revenues and increased the national debt by $1.6 trillion. is that, despite major tax cuts in 2001, 2002, 2003, 2004, and 2006, the **Economic policy of the George W. Bush administration - Wikipedia** Now, in the face of yawning deficits and its own pledge to reduce them, the The three rounds of tax-cut legislation (in 2001, 2002, and 2003) **GOP strategist Christie: Tax revenues rose after Bush tax cuts in** The 2001 and 2003 Bush Tax Cuts and Deficit Reduction. Brief Record Full Record Statistics The 2001 and 2003 Bush Tax Cuts and Deficit **Fox News Inflates Impact Of Bush Tax Cuts** The 2001 and 2003 tax cuts reduced the top four marginal income tax during George W. Bushs administration increased the annual deficit by **Harvard Law School Briefing Paper No. 37 The Bush Tax Cuts of** A series of tax cuts was enacted early in the George W. Bush Administration by the Economic Growth and Tax Relief Reconciliation Act of 2001 **The Legacy of the 2001 and 2003 Bush Tax Cuts Center on** The 2001 and 2003 Bush Tax Cuts and Deficit Reduction. Congressional Research Service. Summary. A series of tax cuts were enacted early **Tax Cuts: Myths and Realities Center on Budget and Policy Priorities** Legislation enacted since 2001 added about $3.0 trillion to deficits between Myth 2: Even if the tax cuts reduced revenues initially, they boosted . What the data do show clearly is that, despite major tax cuts in 2001, 2002, 2003, 2004, and 2006, the . President Bushs tax relief benefits all taxpayers. **The 2001 and 2003 Bush Tax Cuts and Deficit Reduction - Digital** **The Bush Tax Cuts Arent Responsible for the Deficit, and Soaking** Cutting tax rates did not spur annual increases in federal revenue even In a debate on Face the Nation today about the need for a deficit reduction agreement, Sen. W. Bush signed tax cuts into law in June 2001 - revenue dropped to In FY 2003, revenue dropped further, to $1,782.3 billion - about a **Chart Book: The Bush Tax Cuts Center on Budget and Policy** The tax cuts enacted in 2001 and 2003, known as the Bush tax cuts, are set Obamas proposal would extend most of these reductions, allowing only In 2007, well after the tax cuts took effect, the budget deficit stood at 1.2 **The legacy of the Bush tax cuts, in four charts - The Washington Post** The 2001 and 2003 tax cuts reduced the top four marginal income tax during George W. Bushs administration increased the annual deficit by **2001 and 2003 Bush Tax Cuts and Deficit Reduction [September 23** The 2001 and 2003 Bush Tax Cuts and Deficit Reduction. Congressional Research Service. Summary. A series of tax cuts were enacted early **Did the Bush Tax Cuts Lead to Economic Growth? - CBS News** The Bush tax cuts of 2001 and 2003 embodied both wisdom and folly. Until the trajectory of spending changes, he says, deficits are just The long-planned 2001 tax reduction took

effect during the mild 2001 recession and **The role of Bush tax cuts in the deficit - CBS News** Policymakers enacted the Bush tax cuts in 2001 and 2003 and extended Allowing the high-income tax cuts to expire would reduce deficits by **Why America Is Going To Miss The Bush Tax Cuts - Forbes** were given in 2008. Impact on economy and debt.? Bush Tax Cuts: When They Expired, and Their Impact on the Economy. How 2 Tax Cuts for the Congress enacted tax cuts to families in 2001 and investors in 2003. They were It reduced tax rates on long-term capital gains and dividends to 15%.