



Fact Sheet: Pelosi's Budget is a Green Light for Taxes on Working Families & Main Street

The White House is increasingly worried about losing Democrats who oppose the President's \$3.5 trillion tax hike on [working families](#) and [Main Street businesses](#)—just look at the myths in their [latest so-called "Fact Sheet"](#) that are easily disproved.

Here are the facts:

1. Yes, President Biden's tax hikes will hit millions of small businesses.

- According to the non-partisan [Tax Foundation](#), President Biden's claim that small businesses will be exempt is "misleading." The U.S. Chamber of Commerce reports that President Biden would raise taxes by 33 percent for 1.4 million small businesses that employ more than 12.5 million Americans.
- Democrats want to eliminate the small business deduction, [which 21 million small businesses](#) relied on in 2019 to invest, hire new workers, and increase employee benefits.
- The White House argues small businesses struggle to comply with the IRS, but Democrats' tax increases and special [loopholes for the wealthy](#) make the tax code even more complicated.

2. Biden's tax hikes hit the middle class according to the top non-partisan congressional scorekeeper on taxes, as well as the left-leaning Tax Policy Center.

- The [Joint Committee on Taxation says](#) that within 10 years of a corporate tax increase, 66.3 percent of the corporate tax burden would be borne by lower- and middle-income taxpayers.
- Analysis [from the Left-leaning Tax Policy Center](#) finds that President Biden's overall tax plan will raise taxes on 75 percent of middle-class families next year, rising to 95 percent of middle-class families over the long term.
- This is a clear violation of President Biden's own pledge not to raise taxes on the middle class.

3. By putting the IRS in charge of Americans' time off and child care, President Biden's plan will leave families with lower paychecks for life, less choice, fewer jobs, and greater hardships.

- Democrats' partisan bill promotes a permanent "Welfare Without Work" program that could cost 451,000 jobs and more in waste and fraud.
- Putting the IRS in charge of families' paid leave would cost nearly \$120,000 to a working family in permanently smaller paychecks – whether they use it or not.



4. The Biden Administration’s endless government checks are not “tax cuts for small businesses.”

- Unlike the doubled Child Tax Credit Republicans designed to reward work, Democrats have turned it into a welfare program that harms families with greater inflation, loses up billions of taxpayer dollars in waste and fraud, and costs American jobs. This is not a tax cut.
- As one scholar at the progressive People’s Policy Project notes, “it sure looks like they’ve dropped their prior focus on child poverty, perhaps because they now realize it’s not likely to materialize given that the IRS still has no [plausible way](#) of reaching so many of those poor kids.” That may be [because](#) “90 percent or more of the (mostly very poor) kids the IRS needed to reach through its much-maligned non-filer portal have not in fact been reached.”
- According to an [AEI study](#), the allowance will destroy up to 451,000 American jobs. The allowance will cost as much as \$1.5 trillion over the next decade, not counting the inevitable fraud.

5. President Biden’s tax hikes push Americans’ jobs overseas and jeopardize American research and development.

- President Biden wants to [double taxes on investment](#), and put Washington in charge of all R&D funding—destroying the investment infrastructure that provides small businesses with financing.
- Republican tax reform led to record R&D investment, 25 percent higher than in the years prior to enactment, and we can do more by permanently doubling the R&D tax credit and expanding innovation and good-paying jobs in America.
- Instead of repealing key policies that led to the Republican R&D boom, President Biden should work with Republicans to improve our [low #24 ranking on global R&D incentives](#)—rather than make us even worse off.

6. America’s family-owned farms and ranches will be devastated by Democrats’ second death tax and doubled capital gains tax.

- Democrats’ death tax [will destroy more](#) than 1 million jobs over the next 12 years, slash paychecks for workers, and shrink our economy by \$100 billion over the next decade.
- This tax increase has [led to an outcry](#) throughout rural America who know this tax will kill their family farms.
- Studies show that the capital gains tax alone would shrink the economy by \$124 billion. The left-leaning Tax Policy Center [writes](#) that Biden’s proposal raises taxes far past the amount necessary to maximize revenue. Past analyses by the Congressional Budget Office and the Joint Committee on Taxation agree.



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7. President Biden’s \$45 billion expansion of Obamacare subsidies does nothing to address the increasing cost of care.

- President Biden is maintaining his ban on certain health care plans that helped small business owners access affordable plans.
- Those making hundreds of thousands of dollars a year are eligible for taxpayer-funded subsidies. For example, a 64-year-old couple in Kay County, OK, earning \$500,000 per year, would qualify for a premium tax credit of almost \$6,000.

8. Democrats’ runaway spending is driving inflation.

- [Survey](#): “About three-quarters of those with income under \$50,000 say both grocery and gas prices are causing them financial hardship — and just over half of those at the \$100,000 or more income level say the same is true for them.”
- According to the August [Business Leaders Survey](#), businesses are struggling to keep up with rising inflation and are feeling less optimistic about the future than previously. Worse, growth slowed down compared to prior months, and prices remain elevated – proof that [Bidenflation](#) is outpacing workers’ paychecks.
- Even [former economic advisers](#) to Democrats have warned their \$3.5 trillion tax-and-spend agenda will [fuel even higher inflation](#).

BOTTOM LINE: Speaker Pelosi’s Budget is a Green Light for Taxes on Working Families & Main Street.