

Spotlight on Payroll Tax Cut

- **President Obama Urged Congress to Stop Playing Politics and Pass an Extension of the Payroll Tax Cut.** While in Pennsylvania this week, the President challenged Republicans to “fight as hard for middle-class families as you do for those who are more fortunate.”<sup>1</sup> On Thursday, when Senate Republicans rejected an extension, President Obama called the vote “unacceptable,” explaining that “Senate Republicans chose to raise taxes on nearly 160 million hardworking Americans because they refused to ask a few hundred thousand millionaires and billionaires to pay their fair share. “It makes absolutely no sense to raise taxes on the middle class at a time when so many are still trying to get back on their feet.”<sup>2</sup> The President vowed to continue urging Congress to pass an extension for millions of American families and small business owners.<sup>3</sup>  
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- **Governor Romney Opposes a \$1,500 Middle Class Tax Cut.** Mitt Romney called President Obama’s proposal to extend the 2011 payroll tax cut a “temporary little Band-Aid” that wouldn’t help the economy, despite the fact that the average middle class family would receive a tax cut of \$1,500.<sup>4</sup> Romney has consistently opposed tax cuts that benefit the middle class, including those in the 2009 stimulus bill.<sup>5, 6</sup> Despite claiming to have economic policies that benefit American workers, Romney said that he “wasn’t looking to put money in people’s pockets” when asked about how he would help the middle class.<sup>7</sup> Romney does want to keep taxes low for the richest Americans, though, as he continues to call for the extension of the Bush tax cuts for the wealthy.<sup>8</sup>
- **Herman Cain Says Payroll Tax Cut Hasn’t Done ‘Any Good.’** Asked about the payroll tax cut on CNN’s “State of the Union,” Herman Cain said that the tax break hasn’t done “any good” for the economy.<sup>9</sup> Cain’s definition of “good” then, clearly does not include giving working families an average tax break of \$1,000 per household as President Obama’s payroll tax cut has done.
- **Governor Perry Also Opposes Payroll Tax Cut Extension.** Even as he pushes for a flat tax that would increase taxes for many single parent households and that would greatly decrease the tax burden for the wealthiest Americans, Rick Perry opposes an extension of the payroll tax cut.<sup>10</sup> Not extending the payroll tax cut would amount to a \$1,500 tax increase for the average middle class family.<sup>11</sup>
- **Representative Bachmann Voted Against Payroll Tax Cut.** Michele Bachmann voted against the 2011 payroll tax cut in Congress, which provided the average middle class family with a \$1,000 tax break.<sup>12</sup> Bachmann opposes extending the payroll tax cut for 2012, saying she will vote against the proposal again.<sup>13</sup>

NEA BELIEVES...

- A fair and progressive tax system does not raise taxes on working families. According to the non-partisan Center on Budget and Policy Priorities, 121 million families have benefited from the payroll tax break, with an increase in take-home pay of \$934 for the average worker.<sup>14</sup>
- Tax policy should safeguard the critical needs of families. Proposals that would provide direct impact for millions of Americans include extending unemployment benefits, the educator tax deduction, child care tax credit, earned income tax credits, as well as the American Opportunity Tax credit.
- Protecting tax cuts for the very wealthy will have grave consequences for our economy, place even greater burdens on struggling state budgets, and cause additional deep cuts in core services for our most vulnerable populations.

<sup>1</sup> “Obama Challenges Republicans on Payroll Tax,” [CNN](#), November 30, 2011.

<sup>2</sup> “Senate Vote Against Payroll Tax Cut: Unacceptable,” [White House Blog](#), December 1, 2011.

<sup>3</sup> “Senate Vote Against Payroll Tax Cut: Unacceptable,” [White House Blog](#), December 1, 2011.

<sup>4</sup> “Romney, Perry, Cain Square Off on Economy in Debate (Transcript),” [Bloomberg](#), October 11, 2011.

<sup>5</sup> Mitt Romney on Obama’s Prime-Time Press Conference, Stimulus Plan,” [Fox News](#), February 9, 2009.

<sup>6</sup> “The American Jobs Act,” [The White House](#), Accessed October 24, 2011.

<sup>7</sup> “Mitt Romney: ‘I’m Not Looking To Put Money In People’s Pockets.’” [Huffington Post](#), November 23, 2011.

<sup>8</sup> “What Mitt Romney’s Fiscal Plan Says About GOP Tax Cut Mania.” [Time](#), November 7, 2011.

<sup>9</sup> “Cain Says ‘False’ Claims, Policy Confusion Caused Slip in Poll.” [Bloomberg](#), November 28, 2011.

<sup>10</sup> “How Rick Perry’s Tax Plan Would Affect You,” [New York Times](#), October 25, 2011.

<sup>11</sup> The American Jobs Act,” [The White House](#), Accessed October 24, 2011.

<sup>12</sup> “Obama Pushes for Payroll Tax Cut Extension in New Hampshire Speech.” [AP](#), November 22, 2011.

<sup>13</sup> “Obama Pushes for Payroll Tax Cut Extension in New Hampshire Speech.” [AP](#), November 22, 2011.

<sup>14</sup> “Letting Payroll Tax Cut Expire Would Shrink Worker Paychecks and Damage Weak Economy.” [Center on Budget and Policy Priorities](#), September 7, 2011.