

The \$3.6 trillion budget President Obama is proposing includes the largest tax increase in U.S. history. Taxing Americans with hundreds of billions of dollars is wrong. Christina Romer, the Chair of the President's Council of Economic Advisors said that "tax increases are highly contractionary." Increasing taxes during a recession will only prolong the pain. President Obama's budget proposes to raise taxes on energy. The Administration is banking on \$646 billion in new revenue from a so-called "cap and trade" program to pay for much of his budget. This new tax would be on the fuel you put in your car and your home gas and electric bill. This tax comes out to almost \$3, 100 for every American household per year. This is the last thing hard working families need who are trying to make ends meet during a recession. The tax increases included in this measure will also hit small businesses hard. Small businesses create 70% of new jobs each year, so taxing them more will result in more job losses that would be devastating to our economy. This budget will raise taxes on investments by raising the top tax rate on capital gains and dividends by one-third only discouraging long-term investments and taking needed capitol out of the marketplace. One of the most disturbing taxes in this budget deals with charitable giving. This is a no-win situation. Under the plan, families who make more than \$250,000 per year would have limits placed on the amount of tax deductions they can claim for their donations to charities. Charities that help people in need are estimated to lose nearly \$16 billion in donations each year if this budget passes. Increasing taxes during a recession will be the nail in the coffin for our economy. This budget does not just tax the rich as proponents claim, but it will hit families and small businesses with a one-two punch during an already difficult time, hitting those in lower socio-economic circumstances the hardest. Herbert Hoover raised taxes during a recession and it led to the worst depression in history. We need to learn from mistakes made before, so they are not repeated again.

