

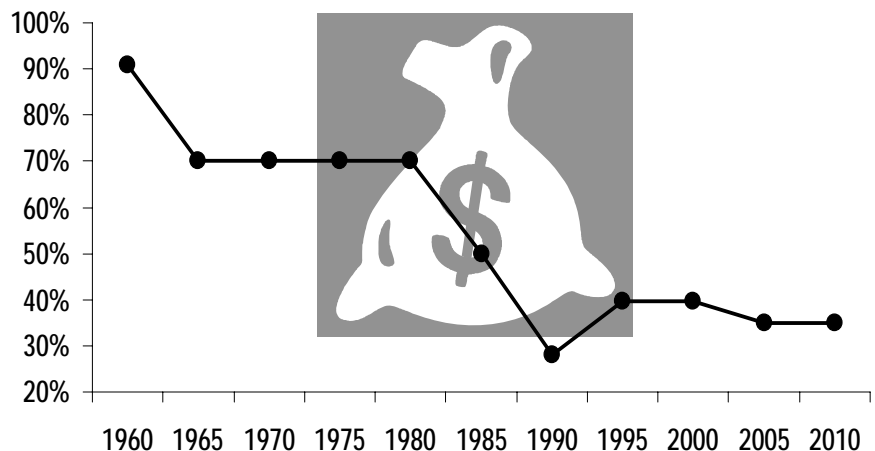
## It's Not a Spending Problem – It's a Revenue Problem

Corporate-backed politicians at every level of government are trying to convince us that we've got a spending problem as they look to cut and balance budgets on the backs of America's middle and working class. But, they're failing to talk about the real problem: the amount of revenue our government is – or rather, isn't – taking in.

Here are a few facts to consider:

- From the 1940s to the 1980s, the tax rate for the richest Americans – the millionaires of the time – was 70 percent or higher.<sup>1</sup> Now it is nearly half that – 35 percent.<sup>2</sup>
- Two-thirds of companies doing business in the United States avoid paying any income tax to the federal government despite corporate sales totaling \$2.5 trillion.<sup>3</sup>
- General Electric, for example, netted over \$10 billion in profits in 2009, but paid the U.S. government \$0 in income taxes.<sup>4</sup>
- Each year, the United States loses an estimated \$100 billion in tax revenues due to offshore tax abuses.<sup>5</sup>
- In the late 1970s, capital gains (profits made from selling property or investments) were taxed at 35 percent or higher. Now they are taxed at just 15 percent.<sup>6</sup>

**Tax Rates for Millionaires  
 1960 - 2010**



Based on federal marginal tax rates for top-earning households.  
 Source: The Tax Foundation.

All these tax breaks, tax cuts and tax loopholes have a heavy cost on our economy. As millions struggle to get by, corporate profits are up and CEO pay jumped 27 percent in 2010.<sup>7</sup> They can pay their fair share, just like workers already are!

Watch for the next InfoAlert in this series in two weeks.

<sup>1</sup> Salon.com, 3/2/11

<sup>2</sup> Internal Revenue Service

<sup>3</sup> U.S. Government Accountability Office report, 7/17/08

<sup>4</sup> CNN.com, 4/16/10

<sup>5</sup> U.S. Government Accountability Office report, 7/17/08

<sup>6</sup> Salon.com, 3/2/11

<sup>7</sup> USA Today, 4/4/11