FISCAL CLIFF DEAL: \$1 IN SPENDING CUTS FOR EVERY \$41 IN TAX INCREASES



by MATTHEW BOYLE (/COLUMNISTS/MATTHEW-BOYLE) 31 Dec 2012 1165 POST A COMMENT



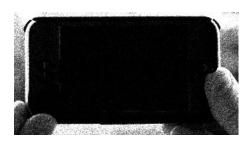
According to (https://twitter.com/ChadPergram/status /285974557783912448) the Congressional Budget Office, the last-minute fiscal cliff deal reached by congressional leaders and President Barack Obama cuts only \$15 billion in spending while increasing tax revenues by

\$620 billion—a 41:1 ratio of tax increases to spending cuts.

When Presidents Ronald Reagan and George H.W. Bush increased taxes in return for spending cuts—cuts that never ultimately came—they did so at ratios of 1:3 and 1:2.

"In 1982, President Reagan was promised \$3 in spending cuts for every \$1 in tax hikes," Americans for Tax Reform says (http://www.atr.org/myths-facts-taxpayer-protectionpledge-a6979) of those two incidents. "The tax hikes went through, but the spending cuts did not materialize. President Reagan later said that signing onto this deal was the biggest mistake of his presidency.

"In 1990, President George H.W. Bush agreed to \$2 in spending cuts for every \$1 in tax hikes. The tax hikes went through, and we are still paying them today. Not a single penny of the promised spending cuts actually happened."



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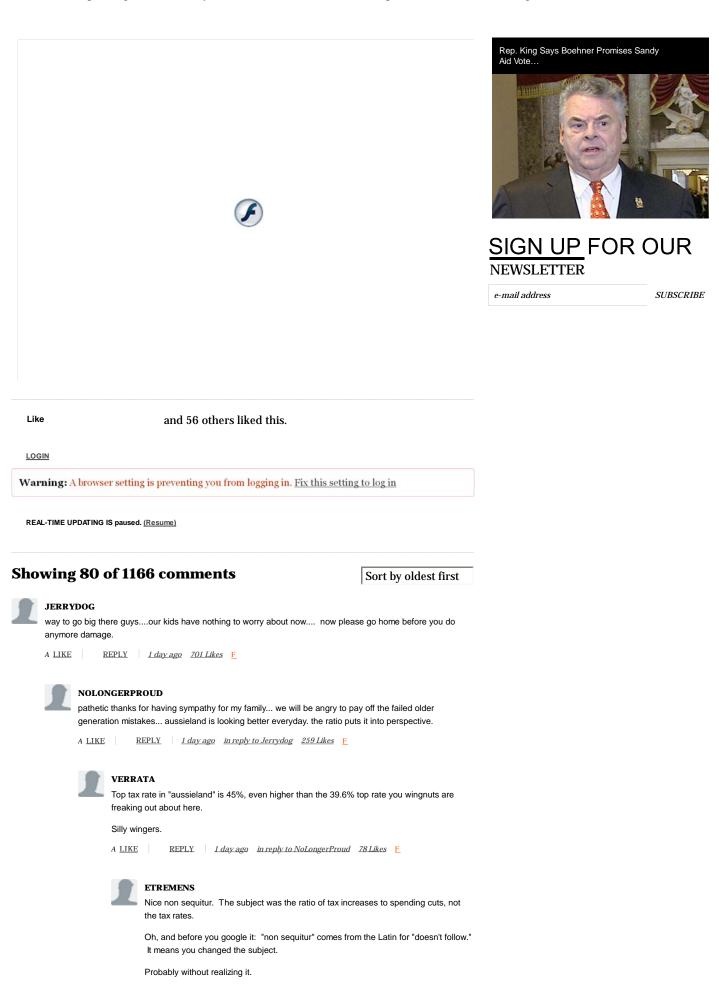
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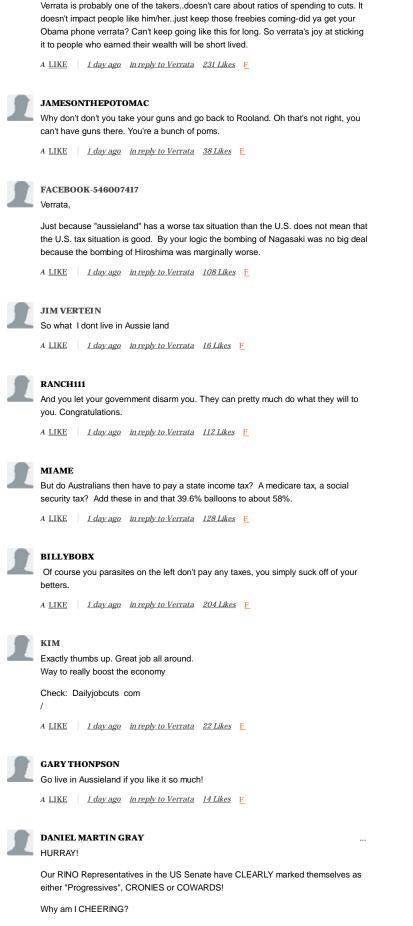
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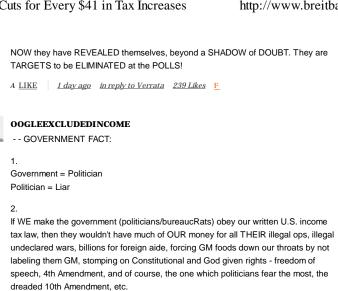
Silly blue state redneck. A LIKE <u>1 day ago</u> in reply to Verrata <u>554 Likes</u> F VERRATA Uh oh, the subject police are here. The whining is about top tax rates going up, and genius boy up above said 'aussieland' is looking better and better. And of course, he likely doesn't know that top rates are higher there. I don't give a crap if you think it's a non sequitur. Who cares. A LIKE <u>1 day ago</u> in reply to Verrata <u>49 Likes</u> <u>F</u> STANH Thanks Team Parasite, always instructive. A LIKE <u>1 day ago</u> in reply to Verrata <u>160 Likes</u> F томтомя The head line says; Fiscal Cliff Deal: \$1 in Spending Cuts for Every \$41 in Tax Increases Read the article, (wasn't that long) never saw the phrase or words; "Top Tax Rate" Where did you see the words Top Tax Rates VERRATA? You must of thought that is what they meant? Why are you so stupid? Ah yes.....Silly blue state redneck = democrat = stupid A LIKE <u>1 day ago</u> in reply to Verrata <u>357 Likes</u> F BOBBYD12 Lol, just like when President Obama was re elected. They all thought Canada was their new paradise, Government Health Care and all !! A LIKE 1 day ago in reply to Verrata 72 Likes F JUSTSAYNOTOSOCIALISM You're not the brightest bulb in the box are you, lib? A LIKE <u>1 day ago</u> in reply to Verrata <u>204 Likes</u> F JB56 Etremens gives you a mini-clinic on non-sequiturs then follows up with an ad hominem ...? A LIKE <u>1 day ago</u> in reply to Verrata <u>22 Likes</u> F LUPE PERSFUL So paying high taxes is a good thing? A LIKE <u>1 day ago</u> in reply to Verrata <u>61 Likes</u> F 2B Actually to be precise, it is 30% up to \$ 180,000. After \$180,000 then there is an addition 45c for each \$1 over \$180,000. So after \$180,000 the 45% rate begins. A LIKE <u>1 day ago</u> in reply to Verrata <u>27 Likes</u> F

3 of 12

CAZIE



Because in this BATTLE for the HEART, SOUL and WALLET of AMERICA, it's CRUCIAL we are CLEAR about who is WITH US, and who is NOT.



- - TAX FACT:

1. "Exempt income" - 26 CFR 1.861-8T(d)(2)(ii) Legal defintion, codified, i.e. there's only one.

2. "Income that is not" – 26 CFR 1.861-8T(d)(2)(iii) List of taxable income. BINGO!

SOURCE: Electronic Code of Federal Regulations

According to U.S. Income tax law, MOST INCOME IS EXEMPT (i.e. not taxable), while very LITTLE income is not exempt (i.e. taxable).

OBEY THE LAW. It has already been written. Use it. Many Americans already fought and died to be able to have these laws.

- - HISTORICAL FACT:

Fighting over TAXES is why the USA exists. And, its wasn't even about Income tax (a labor tax), but was merely a Sales tax. Compared to early citizens, modern Americans are wimps and pushovers for the lies of politicians, and parasitic-like, life-long bureaucrats.

A LIKE <u>1 day ago</u> in reply to Verrata <u>119 Likes</u> <u>F</u>

SMDC4S

With Obamacare & Medicare our new top rate is 39.6 + 3.8 + .9 = 44.3

A LIKE <u>1 day ago</u> in reply to Verrata <u>59 Likes</u> F

ALJONES01

So who cares if it's 45% or 39%. The point is that it is NOT a solution.

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A LIKE <u>1 day ago</u> in reply to Verrata <u>85 Likes</u> F
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VERRATA

StanH:

Thanks Team Dying Out, always useless.

A LIKE <u>1 day ago</u> in reply to Verrata <u>7 Likes</u> F

KICKER

With the government we have in Washington, a tax rate of 5% would still be too high, and they'd waste the money.

Besides, Obama promised more tax hikes early in 2013, so I have no doubt we'll see 45% or more before we are done. And don't forget all the "extra" taxes coming by way of regulations from unelected bureaucrats.

A LIKE <u>1 day ago</u> in reply to Verrata <u>71 Likes</u> F

JOYCE GURTATOWSKI

So, you're ok with 45%. Well, I'm not ok with 39.6%. Go live in aussieland and have a happy life.

A LIKE <u>1 day ago</u> in reply to Verrata <u>30 Likes</u> F

ANY G SUNDAY

That the reason we live here and not there. Iran, Syria, North Korea all have dicatatorships, does that mean we all should or so you seem to think!

A LIKE <u>1 day ago</u> in reply to Verrata <u>12 Likes</u> F

DARREN YOUNG

Verrata bragging said "Top tax rate in "aussieland" is 45%". I'm going to assume you are either living in Australia or from there originally. If not, who cares I'll make my point anyway.

Just because some Aussie's like Verrata are idiots happy to pay more of their income to a government doesn't mean the rest of us have to also be idiots willing to part with our hard earned money. Besides I bet his government doesn't spend \$720 million of tax payer dollars to repair and rebuild mosques overseas, give taxpayer dollars in aid to Communist China STILL doing so as we get loans from them, gives \$2 billion of taxpayer dollars to a Soros backed offshore drilling project off the coast of Brazil as Obama strangles offshore drilling in the Gulf of Mexico, and spends research tax payer dollars in Vietnam on the sex lives of Vietnamese transsexuals. It's not just only the rate, but the wanton, willful, and reckless wasteful spending of taxpayers dollars by our government that also irks us as well. Why should we pay more to such stewards who spend like drunken sailors with our hard earned money? At least drunken sailors spend their own money...So Verrata be a happy go lucky fool content on believing the government can spend your money better than you can spend your money. Considering the fact that you are you and your socialist government is not our socialist government, that may be true for you. However, we in the states can do better with deciding how to spend our own money without the "wisdom" of or the need for the elitists Marxists overseers in DC.

A LIKE <u>1 day ago</u> in reply to Verrata <u>170 Likes</u> F

JO

JOSH HOPKINSON

A LIKE <u>1 day ago</u> in reply to Verrata <u>5 Likes</u> F



SBOURG55

Verrata: It's alot more than 39.6%, there's extra 3% FICA HI tax, state tax as high as 13% in CA, property tax which averages about 2% over all income, plus sales taxes on many purchases say 4%, that all adds to over 60% marginal tax rate. Socialism/fascism, here we ARE. Goodbye freedom for most of our paycheck.

A LIKE <u>1 day ago</u> in reply to Verrata <u>66 Likes</u> F

SBOURG55

OH, and Verrata, you missed the point of the article that there are basically no spending cuts and \$3.6T/year spent by just the federal govt, is going to ruin our country and the dollar. Did you forget that?

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A LIKE <u>1 day ago</u> in reply to Verrata <u>57 Likes</u> F
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MARCO DENOLA

Their debt comprises 23% to 30% of GDP. Ours is around 103%. Basically we spend more than we make. That's a huge difference, left wing nut.

A LIKE <u>1 day ago</u> in reply to Verrata <u>64 Likes</u> F



Your "wingnut" comment immediately invalidates anything you might have to say.

Your entire party is now composed of math-challenged, insane, rude, obnoxious kindergarten children that truly seem to think this is all a game.

Now, if you were able to show how raising taxes is going to begin paying down our

debt, you would be worth listening to.

But you can't, because it won't. Not one single penny will go toward the \$16 trillion we already owe. That. Is. Fact.

A LIKE <u>1 day ago</u> in reply to Verrata <u>105 Likes</u> F



This country's finished.

A LIKE <u>1 day ago</u> in reply to Verrata <u>47 Likes</u> F

VABRIAN

Ask any economist besides the brainless Krugman whether the United States economy can survive long term given the current taxes and ever-increasing spending obligations imposed by Congress on our nation. And then ask yourself who is truly silly. What is your plan? To recreate some Clinton-era tech boom to rescue us from our corrupt ruling class (both dems and repubs)?

A LIKE <u>1 day ago</u> in reply to Verrata <u>35 Likes</u> F

MRVICCHIO

wingnuts? When I read such all I can think is "Here is someone with no intellectual backing for their position, just "feelings".

A LIKE <u>1 day ago</u> in reply to Verrata <u>31 Likes</u> F



JIMWENEEDRUBIO

It's not the rate that I care about, it's the waste. DC is highest income per capita in world because of waste. Fraud is rampant in DC and we should not give them any more money, period.

A LIKE <u>1 day ago</u> in reply to Verrata <u>67 Likes</u> F

JEROMEFJ

Meaningless tripe, douchebag. Add in your current budget deficit, national debt, unemployment rate, percentage of deficit to total revenue, rate of spending growth, and unfunded entitlement liabilities and we can have a more meaningful comparison.

Also fun: give us the list of countries who rely on Australia to defend them from regional powers, and the percentage of Aussie annual revenue which is spent on that defense.

A LIKE <u>1 day ago</u> in reply to Verrata <u>39 Likes</u> F



ROADAPPLE

Verrate, educate yourself dear person. Maobama's stated goal is to get us back to tax rates of 91% on the rich, which by then will be anyone with a job.

And where does this article talk about "top tax rates"?

You been smokin' stuff again?

A LIKE <u>1 day ago</u> in reply to Verrata <u>26 Likes</u> F

KEITHPARFITT

When a collectivist form of government rules a society some individuals develop a lack of initiative. A stifling of creativity will also result. People don't have to work harder than anyone else as all rewards earned, are shared. Undeniably the incentive is to work less. Productivity is spread equally for all participants regardless of effort. Under collectivism a ruling class of bureaucratic intellectuals structure communities. They decide what a citizen is entitled to possess according to some obscure socioeconomic philosophy. They decide what is best for an individual and what privileges the individual is entitled to. This is a top down 'for the greater good' ambiguous justification. They then apply the oppressive powers of the State to reallocate wealth from those who produce to those who don't. Simply put the collective steals the talent, ingenuity, and hard work of one citizen and gives it to another in the name of social justice. This is morally repulsive, it is theft. Collectivism

warps the self-sacrifice of an individual and encourages the notion that it is necessarily a noble act to sacrifice for the greater good of all, regardless of an individual's desire to achieve. According to the collectivist point of view something created by the individual belongs to the State as the State allows the individual the mechanism of a secure economy with which to create the product, goods, or services. This is obviously false as exchange of goods and services will continue without the benefit of the State. Put in basic terms, people have to eat. Many will profit in the quest for survival through the necessary labor required for their continued existence. The desire to possess another's wealth as well as to assure that another's wealth is not greater than one's own is morally corrupt. This is class warfare. It's not fair, there is no justification. Collectivism is a philosophy designed to stifle human ingenuity and creativity. Individuals must be permitted by governments to engage in Free-market Capitalism. Only the individual can learn through their free will and mistakes what will work best for them. One size does not and cannot fit all. Social planning is a trap and a form of slavery. When a population is taught that they should rely on some intellectual bureaucrat to make their life's decisions for them they will only develop the self-reliance of a slave. And when the bureaucrats fail to provide the services required? Then once again it is the individual who suffers. Never the bureaucratic rulers, after all, they in no way have to sacrifice since they make the rules. Be a self-reliant individual not a slave ...

A LIKE <u>1 day ago</u> in reply to Verrata <u>146 Likes</u> F

DTHORNY

Hey fool, the 39.5% is just Federal tax. Add in the individual state taxes (California alone is going up to 14%), add the new Obowmacare taxes of \$2,600 per person, the gasoline taxes Obowma has increased with high gas prices, local taxes increased, taxes on phones, cable bills, electric rates, gas bills... and you are well above 60% OF YOUR MONEY TAKEN BY THE FEDERAL AND STATE GOVERNMENT.

Does pay your fair share mean the government does not have to by STEALING OVER 60% OF MY MONEY?

A LIKE <u>1 day ago</u> in reply to Verrata <u>46 Likes</u> <u>F</u>



WHY CALL A PERSON "WINGNUT" ?? IS IT WRONG TO WANT TO KEEP YOUR OWN MONEY THAT YOUVE EARNED??? THAT DESERVES NAMECALLING??? 39%?? EVEN THE MAFIA PROTECTION RACKETS DONT DEMAND THAT MUCH?? YOU VERRATA IS A MORON.

A LIKE <u>1 day ago</u> in reply to Verrata <u>40 Likes</u> <u>F</u>

KMARIEB

you go freak out about silly wingers, eh? your stats are wrong....highest US tax rate is 48% now to the MIDDLE CLASS....get your facts straight. Cutting spending is where government needs to focus, but they have no problem spending other people's hard earned money.

A LIKE <u>1 day ago</u> in reply to Verrata <u>30 Likes</u> F

PATRICK LANE

Not even worth it ...

A LIKE <u>1 day ago</u> in reply to Verrata <u>2 Likes</u> <u>F</u>

GEORGEORWELLWASRIGHT

The top rate is 39.6 plus 3.8 Obamacare tax = 43.4% Now add in your payroll taxes (6.2% employee plus 6.2% employer) 43.4 + 12.4= 55.6% don;t forget add Medicare 2.9%= 58.5 FUTA, SUTA 6.2%= 64.7 and state income taxes (13% in California)=77.7%

Now add sales tax when you spend that money 8%= 85.7% Toss in some property taxes and gas etc. and looks like the American worker is a serf for the government.

Makes that 45% in Australia look pretty good

A LIKE <u>1 day ago</u> in reply to Verrata <u>45 Likes</u> F

GREGORYP

You gave up your guns too. You must have government schools.

A LIKE 1 day ago in reply to Verrata 8 Likes F

AUSTIN STEVENS

Oh and that makes it right for America. Get out of here.

A LIKE <u>1 day ago</u> in reply to Verrata <u>7 Likes</u> <u>F</u>

HOSTDUDE99

In Aussieland I am curious (because I do not know), do you have states that tack on an additional 8-10% sales tax in many counties? What about the states' additional 1-5% income tax (a handful of states do not have income taxes) or certain cities 1-3% additional tax and abominable 1% commuter taxes? Do you also calculate the 1.5% and 7% medicare and SS rates that are included (double that if you have the gaul to be self employed)? How about the 2% obamacare tax that gets tacked onto high earners. Or the real estate tax that can take as much as 10-15% of a families 'net in many locations (here in NY, in our town where the average income is \$68k for a family of 4, the avg real estate rate is \$6k).

I could keep going but that 39% gets added to in many many ways bringing the true top rate closer to 60%. And that's not including fees that seem to get added onto everything.

At the end of the day though, us wingnuts would have less of a problem if all this extra taxation was going toward paying down the deficit. No chance of that though. At best, it will lessen the rate of increase, but in point of fact, the first couple of years of "extra" taxation has already been spoken for in the way of disaster relief funds for entities that were 1000 miles away from Sandy or into more failed green energy programs that benefit Obama's donors. The sad truth of the matter is that all this extra taxation will only be used to further grow the government and to hell with the deficit.

What gives me some small satisfaction, though, is that when our economy starts to crumble due to the out of control deficit spending, its the rest of the world that will really suffer and I am guessing that you Aussie's will get hit pretty damn hard. At the very least, when we start crumbling, I am sure you'll be able to divert 8-10% of your economy to start building up your military to simply avoid becoming China's b**ch. Or maybe not and China might say hey, that land down south of us seems pretty productive and we could make good use of it for our citizens. But make sure you have fun on the ride down with us because that is indeed what will happen.

A LIKE <u>1 day ago</u> in reply to Verrata <u>23 Likes</u> F

MICHAEL JAMES CREGAN

Why are you saying wingnuts are freaking out about 39.6? The wingnuts WANTED 39.6. It is the insane who want to keep piling on more and more debt. As EVERYONE knows, the rich, even if taxed 100% could never make up for the huge debts Obama is racking up. Even if his original plan for \$250k and above went through, that would have raised \$1 trillion over 10 years--not even enought to erase ONE year of deficit. The tax issue was really only a dodge of spending cuts. Those cuts are going to HAVE to be faced. And, now that the tax issue is over, Obama has lost ALL leverage on the deficit. Nothing more he can push on. No more automatic tax rate expirations. No one's taxes going up no matter what because of an expiration. So, he's got NOTHING to leverage with. He is now going to have to face spending.

A LIKE <u>1 day ago</u> in reply to Verrata <u>13 Likes</u> F

BOB L.

Are you paying the top tax rate ? If not, you have no valid comment on the subject.

A LIKE <u>1 day ago</u> in reply to Verrata <u>12 Likes</u> <u>F</u>

LOU TILLMAN

Aussieland fails in comparison to US scienctific advancements/contribution(100:1) and their army? Yes we will look to Ausieland to save us in a world war!

A LIKE <u>1 day ago</u> in reply to Verrata <u>7 Likes</u> F

BLEEDINGBLUE1947

you could always move to the USA

A LIKE <u>1 day ago</u> in reply to Verrata <u>2 Likes</u> F

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BLEEDINGBLUE1947
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you could save by moving to the USA. Besides we need your money.

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A LIKE <u>1 day ago</u> in reply to Verrata <u>3 Likes</u> F
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SCOTT NUDDS

The easiest way to get a money grubbing Republican animal angry is take away one of their dimes.

Tea Baggers are the filth that have destroyed their own nation.

A LIKE <u>1 day ago</u> in reply to Verrata <u>5 Likes</u> <u>F</u>



HUGHRHODES

Aussieland's currency is a commodity back currency. Their dollar is backed back by REAL assets to include gold. Paying a lower rate here in the US would be meaningful IF this country were not headed toward bankruptcy, which in modern day economics results in devaluing the dollar so that our current debts become very cheap.

The reality is even though you are paying a higher rate in Australia, your money will increase in purchasing power and your life savings are safe. I would much rather be paid in Aussie dollars and pay their tax rate than be handed what will soon be 25 cent dollars once the rest of the world finally gives up on our incompetent leaders.

A LIKE <u>1 day ago</u> in reply to Verrata <u>9 Likes</u> <u>F</u>

WOHLFMAN

Then move to "Aussieland" asswipe.

A LIKE <u>1 day ago</u> in reply to Verrata <u>2 Likes</u> F

TOMMIE3761

And you're just a typical socialist libtard!

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A LIKE <u>1 day ago</u> in reply to Verrata <u>4 Likes</u> F
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NOLONGERPROUD

i care about where the money is spent. and its spent on pathetic failed programs and a cesspool i dont want to suport

A LIKE <u>1 day ago</u> in reply to Verrata <u>12 Likes</u> F



I suppose you don't care to ask yourself what year the US brought in the most tax revenue to the federal government? That would hurt the cute word game of pretending tax rate increases are synonymous with revenue increases.

A LIKE <u>1 day ago</u> in reply to Verrata <u>9 Likes</u> F

MURRAYW

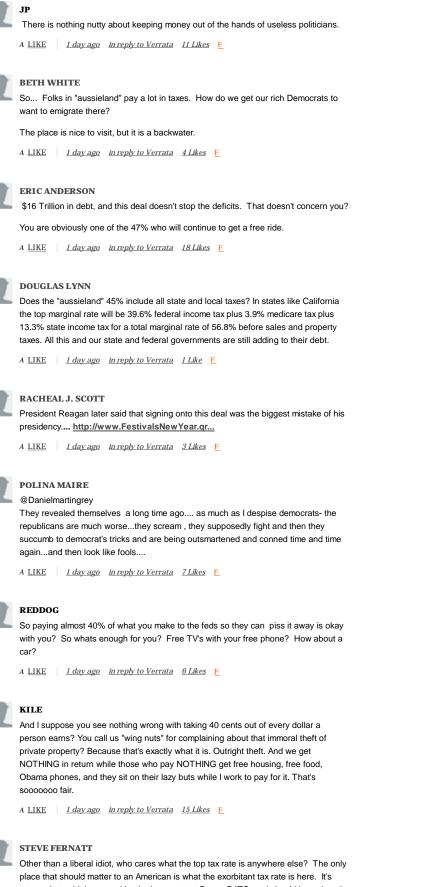
Your government keeps lying to you, pretending to do something and you look at aussieland. If we were taxing to cover all expenses and not borrowing a couple trillion a year our rate would be higher than aussie. The true "fiscal cliff" is only a few years away. Instead of being able to change our own law to let government borrow more the world will tell us that we are broke. Then ALL of the entitlement programs will end. If we don't figure it out the 30's are going to look like a sunday school picnic.

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A LIKE <u>1 day ago</u> in reply to Verrata <u>8 Likes</u> F
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THOMAS WREN

Silly juvenile money wasters and parasites

A LIKE <u>1 day ago</u> in reply to Verrata <u>4 Likes</u> <u>F</u>



place that should matter to an American is what the exorbitant tax rate is here. It's extremely too high, caused by the incompetent DemocRATS, and should be reduced to a TOP tax rate of 2% for everyone. Every single needless social program created by the liberal clowns in Congress should be stopped immediately.

A LIKE <u>1 day ago</u> in reply to Verrata <u>9 Likes</u> F

	MARK WALTERS
	You fail to account for on top of federal taxes we also have state taxes that add
	between zero and 11 percent depending on the location and income. So our top rate
	is really up to 50 percent now!
	A <u>LIKE</u> <u>L day ago</u> in reply to Verrata <u>4 Likes</u> <u>F</u>
1	UNDENIABLYRIGHT
	why not just take it all? What's left isn't enough to pay my bills anywayslol
	A LIKE <u>1 day ago</u> in reply to Verrata <u>8 Likes</u> <u>F</u>
	POLITICALPONY
	Let me see if I got this right Verrata. Because the Austrailians are over taxed means
	that we Americans should be over taxed also. Yes makes sense, I think that is called
	Social Justice. Verrata, as I read on, it's apparent you miss the bigger picture of the
	situation. It's because of your and others type of reasoning that we are in the jam that
	we are. You should broaden your over all view of what's happening. When you walk
	through life with blinkers on, you have a habit of missing the direction you might need to turn to.
	A <u>LIKE</u> <u>1 day ago</u> in reply to Verrata <u>5 Likes</u> <u>F</u>
1	KELLY
	I'm sorry Verrata, but you are flat out wrong. Yes the top marginal tax rate is high, but
	the effective tax rate is lower than in the states. When are democrats going to learn basic economics?
	A LIKE <u>1 day ago in reply to Verrata</u> <u>4 Likes</u> <u>F</u>
1	CITIZENKK
	the US is not "aussieland"thank GODsee that is what makes America specialwe
	are not everyone elsetruewe screw the pooch every so oftenbut eventually we get it right
	A LIKE <u>1 day ago</u> in reply to Verrata <u>4 Likes</u> F
1	EDWIN
	VERRATA, unlike the US, aussieland has no state income tax. Aussieland overall
	income is therefore lower!!!
	A <u>LIKE 1 day ago in reply to Verrata 1 Like</u> <u>F</u>
	но јо
	Your tax rate is ZERO, go get a job
	A LIKE 1 day ago in reply to Verrata 2 Likes F
1	TIMOTHY ASHER
	what kind of government assistance do you get verrata?
	A LIKE 1 day ago in reply to Verrata 6 Likes F
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Reactions

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