

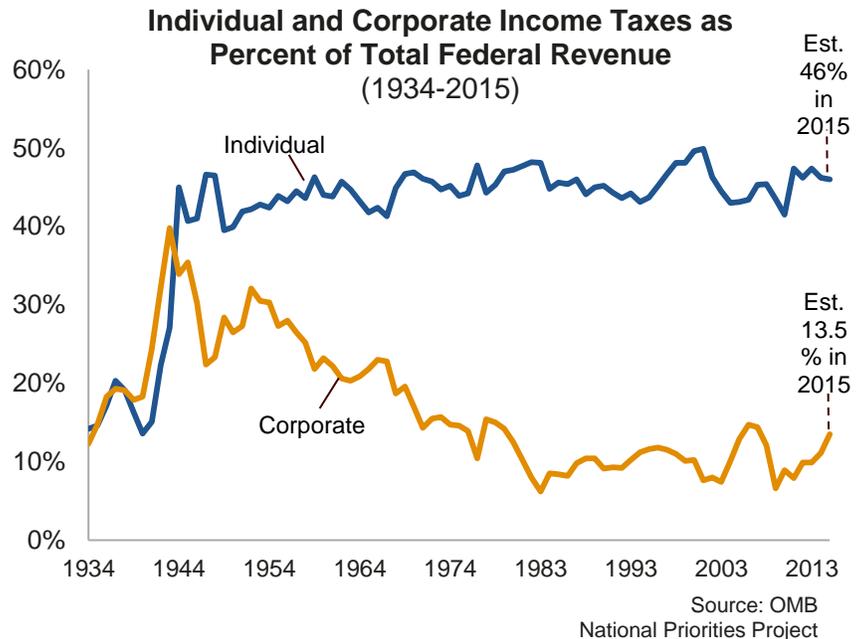


## Federal Budget Tip Sheet: Taxes and Revenue

**Key Fact:** Corporate income taxes are projected to account for less than 14 percent of all federal tax revenue in fiscal 2015. Meanwhile, taxes paid by regular Americans accounts for 46 percent of all federal revenue. These tax dollars support important programs such as education, clean drinking water, and public transportation.

**Tax Breaks:** Loopholes, credits, and deductions in the tax code together are projected to exceed \$1.2 trillion in lost revenue in 2015, more than the entire discretionary budget. And 10 of the largest tax breaks that together totaled more than \$770 billion in tax savings in 2013 overwhelmingly benefited the top 1 percent of households.

**We Don't All Pay Taxes Equally:** In theory the tax code is progressive, meaning those who make more money pay higher tax rates – yet in practice that's not always the case. As Warren Buffett made famous, billionaires sometimes pay lower rates than middle-class workers. And because the tax code is chock full of tax breaks, some corporations, like Bank of America and Citigroup, have gotten away with paying zero federal income taxes, even when they earn billions in profit.



**A Few Tax Breaks Benefit Working Families:** Most tax credits are nonrefundable, meaning they can reduce your taxes down to zero but can't *also* result in the Treasury sending you a check on top of that. But a couple tax credits are refundable. The Earned Income Tax Credit (EITC) and the Child Tax Credit are refundable tax credits and are widely seen as effective anti-poverty measures, helping to combat inequality.

**President Obama's 2015 Budget:** The president proposes to collect \$3.34 trillion in tax revenue in fiscal 2015, an increase of 11 percent relative to 2014. This increase would come from a stronger economy and from limiting tax deductions and loopholes for top income earners, which would raise \$651 billion over 10 years, including \$37 billion in fiscal 2015. This aligns well with public opinion, which shows two-thirds of American voters support closing corporate loopholes and limiting tax breaks for the wealthy.<sup>1</sup> The president's fiscal 2015 budget would also expand the EITC for low-income childless workers, which would benefit more than 13 million individuals.

**Personalized Tax Receipt:** Want a personalized tax receipt for the total amount of federal income taxes you paid? Go to [bit.ly/TaxReceipt](http://bit.ly/TaxReceipt) – where you can also see the average tax receipt for taxpayers in your state.

**More About Taxes And Revenue:** [bit.ly/NPPrevenue](http://bit.ly/NPPrevenue)

<sup>1</sup>Americans for Tax Fairness/Hart Research Associates [poll](#), conducted Oct. 25-30, 2013.