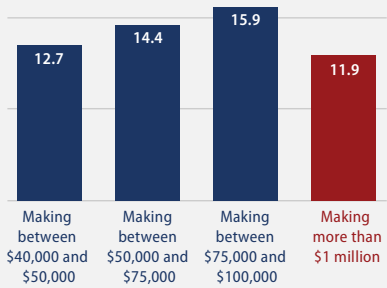


TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

1 Under the Gingrich plan, millionaires will pay a lower overall tax rate than middle-class households
Total federal taxes paid as a share of household income



Sources: Tax Policy Center

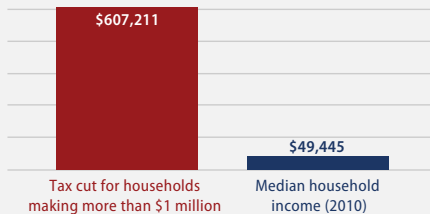
Today various loopholes and special rates in the tax code allow some millionaires to get away with paying lower taxes than middle-class families. But by and large, the richer a household is, the more it pays in taxes. Under Newt Gingrich's tax code the situation would be reversed. The richer you get, the less you pay. In fact, the average effective tax rate—total taxes paid as a share of income—would be lower for households making more than \$1 million than it would be for the average family making between \$40,000 and \$100,000. That's the very definition of a regressive tax code.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

2 Under the Gingrich plan, millionaires will receive an average tax cut of more than \$600,000 per year

Gingrich's tax cut for millionaires amounts to about 12 times the annual income of the median household



Sources: Tax Policy Center and US Census Bureau

Gingrich would deliver an average tax cut of more than \$600,000 per millionaire household by eliminating taxes on investment income and slashing the top income tax rate. That's about 487 times larger than the tax cut a typical middle-class family would receive under the Gingrich plan. In fact, it's about 12 times larger than the entire annual income of the median U.S. household in 2010.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

3 Gingrich would deliver a bigger tax cut to the richest 1 percent than to the bottom 99 percent combined

Share of total tax cut under the Gingrich plan



Sources: Tax Policy Center

In total, the Gingrich plan would cut taxes by about \$850 billion a year compared to what the current tax code would raise. More than half of that would go exclusively to the richest 1 percent of households. In fact, the total value of the tax cuts for the richest 5 percent would be twice as large as the value for everyone else combined.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

4 Many middle-class families will have to calculate their taxes twice to figure out what they owe



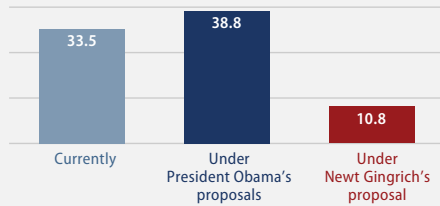
Far from being simple or easy, Gingrich's plan would mean that many middle-income families will have to do their taxes twice to figure out what they owe. That's because Gingrich's plan allows each taxpayer to decide if he or she wants to file using the new Gingrich system or under the current rules. For the wealthy, the choice is very clear: 99.9 percent of millionaires will get a tax cut under Gingrich's system. But the less income you have, the less clear it will be which system is better for you. In the end, many will just have to calculate their taxes twice to find out.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

5 Gingrich would slash the tax rate for the richest 0.1 percent by more than two-thirds

Total federal taxes paid, as a share of income, by the richest 0.1 percent



Sources: Tax Policy Center

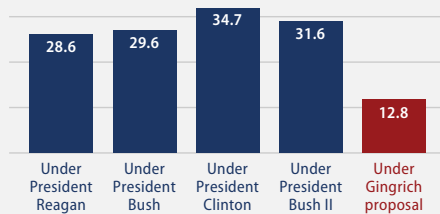
Right now, taxpayers in the richest 0.1 percent of Americans pay about 33.5 percent of their income in federal income, payroll, and corporate taxes. Gingrich's proposal would knock that down to just 10.8 percent. That's a massive 68 percent cut in their tax bill. By comparison, a typical family making between \$50,000 and \$75,000 would see their tax bill decline by only 12 percent.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

6 The tax rate paid by the richest 1 percent would drop to its lowest level in modern history by a large margin

Average total federal taxes paid by the richest 1 percent, as a share of income



Sources: Tax Policy Center and Congressional Budget Office

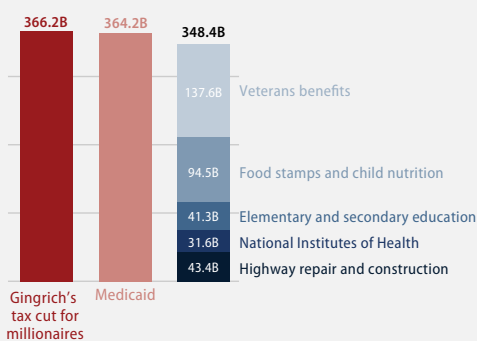
During President Ronald Reagan's eight years in office, the richest 1 percent paid an effective tax rate of about 29 percent on average. Under President Clinton that rate rose to about 35 percent. But under a "President Gingrich," the effective tax rate for the richest 1 percent would plummet to below 13 percent, almost a third of what it was under President Clinton and less than half what it was under President Reagan.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

7 The combined tax cut for millionaires under Gingrich's plan totals more than \$360 billion per year

Cost to the federal budget, in billions, 2015



Sources: Tax Policy Center and Congressional Budget Office

In 2015 the 600,000 households making more than \$1 million a year would reap a \$366 billion tax cut from Newt Gingrich (above and beyond the nearly \$100 billion they would receive from the extension of the Bush tax cuts). That's more than the federal government is projected to spend on the entire Medicaid program that year. It's about 3.5 times bigger than the projected budgets of the U.S. Coast Guard for the next 10 years. And it's also more than the federal government is projected to spend in 2015 on highways, elementary and secondary education, the National Institutes of Health, nutrition programs, and veterans' benefits combined.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

8 Gingrich's "reform" would not close a single corporate tax loophole

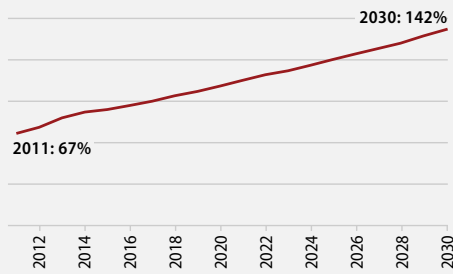
For all the dramatic changes in Gingrich's tax plan, he doesn't propose closing a single existing corporate loophole. Companies would still be able to hide income in offshore tax havens. They'd still be able to write off "business expenses" such as meals and entertainment. And of course the oil and gas industry, agribusiness, logging companies, horse breeders, and even luxury cruise liners would all get to keep their special tax breaks or actually benefit from generous new ones.

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TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

9 Historically low levels of tax revenue would result in a massive debt pile-up

Publicly held debt, as a share of GDP, under Gingrich tax plan



All these massive tax cuts would result in historically low levels of tax revenue. In fact, under Gingrich's system, total federal revenue would decline to its lowest level since World War II—just 13.2 percent of gross domestic product, which is far below even the most right-wing, antigovernment budget plans. Consequently, even if Gingrich implements draconian spending cuts—such as those in the House Republican budget plan for fiscal year 2012—publicly held debt would still explode to more than 100 percent of GDP by the end of the decade.

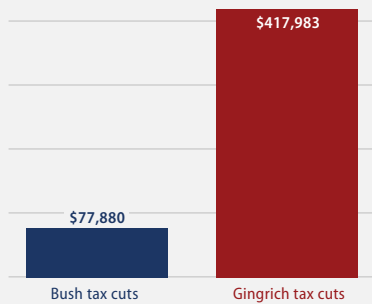
Center for American Progress Action Fund

Sources: Tax Policy Center and Congressional Budget Office

TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

10 Gingrich's tax cuts for the top 1 percent are 5.4 times bigger than President Bush's

Total tax cut for the richest 1 percent, compared to "current law"



The series of tax cuts passed under President George W. Bush are routinely described as "huge," "enormous," or "massive." Gingrich's tax cuts would dwarf them. If the Bush tax cuts are extended, the tax bill for the average household in the richest 1 percent will be about \$78,000 lower than it would have been if the Bush tax cuts were allowed to expire as scheduled. If, instead, the Gingrich plan is enacted, the richest 1 percent will see its tax bill decline by almost \$420,000 compared to what it would be under "current law," meaning if the Bush tax cuts expire as scheduled. That's almost five-and-a-half times bigger.

Center for American Progress Action Fund

Sources: Tax Policy Center

TOP 10 MOST SHOCKING ASPECTS OF NEWT GINGRICH'S TAX PLAN

11 BONUS: Under the Newt Gingrich tax code, Mitt Romney would pay zero federal income tax

Recently, fellow Republican presidential candidate Mitt Romney admitted that his entire income comes from capital gains, dividends, and interest. Income from those sources is entirely exempt from taxation under Newt Gingrich's tax code. Which means that Mitt Romney's income tax bill at the end of the year would come to a whopping \$0. Not bad for a guy who made up to \$40 million last year.

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