

Increased Debt More than Offsets the Impact of the Bush Tax Cuts

While the three Bush tax cuts enacted so far are targeted to the wealthy, the explosion in federal debt that accompanies the tax cuts will fall on the backs of all Nebraskans. When the added debt burden and the tax reductions are netted together, the Bush tax cuts are even more clearly a bad deal for Nebraskans at all but the top income levels:

Net Burden of Bush Fiscal Policies 2001-2006, Nebraska Taxpayers

Total	\$16.2 Billion
Per Person	\$ 9,353
Per Family of Four	\$ 37,413

- Between 2001 and 2006, Nebraskans will receive \$5.7 billion in tax cuts—but will face \$21.9 billion in added federal debt, for a net added burden of \$16.2 billion.
- This means that the net impact of the Bush fiscal policies so far is an added burden of \$9,353 per Nebraska resident—or \$37,413 for a Nebraska family of four.
- For the middle 20 percent of Nebraska taxpayers, the net burden of Bush’s tax and budget policies will average \$21,019 over the six-year period.

The Bush Debt Buildup versus Tax Cuts: Six-Year Totals by State

Calendar years	2001	2002	2003	2004	2005	2006	01-06 total
Impact on All Nebraskans (\$Billions)							
Total Tax Cuts	\$ 0.3	\$ 0.8	\$ 1.4	\$ 1.5	\$ 0.9	\$ 0.9	\$ 5.7
Added Debt	2.2	3.3	4.1	3.9	4.0	4.4	21.9
Net Added Burdens	\$ 1.9	\$ 2.5	\$ 2.8	\$ 2.5	\$ 3.1	\$ 3.5	\$ 16.2
Average Impact on Middle 20% of Nebraskans							
Average tax cuts	\$ -386	\$ -596	\$ -841	\$ -879	\$ -520	\$ -537	\$ -3,760
Average added debt	\$ +2,574	\$ +3,773	\$ +4,712	\$ +4,456	\$ +4,437	\$ +4,826	\$ +24,779
Average net added burden	\$ +2,188	\$ +3,177	\$ +3,871	\$ +3,577	\$ +3,917	\$ +4,290	\$ +21,019

Most Taxpayers Receive Less than \$100 from the 2003 Tax Cuts

President Bush describes his 2003 round of tax cuts as “on average, a tax cut of \$1,126” a year. This statistic is misleading, since most Nebraskans get far less than this “average.” In fact, many Nebraskans get less than \$100 from the 2003 Bush tax cuts in 2003—and most will get less than \$100 a year after 2004.

- In 2003, 47 percent of Nebraskans will get less than \$100 from the 2003 tax bill.
- By 2006, 703,000 Nebraska taxpayers—87 percent of all state residents—will receive less than \$100 in tax cuts as a result of the latest Bush tax cut.

Nebraska Taxpayers Getting \$100 or Less from the Bush 2003 Tax Cut Program, 2003-2006							
<\$100 in 2003		<\$100 in 2004		<\$100 in 2005		<\$100 in 2006	
#-000	% of TPs	#-000	% of TPs	#-000	% of TPs	#-000	% of TPs
371	47%	365	46%	596	75%	703	87%

Child Credit Expansion Bypasses Many Nebraska Families

One of the mostly highly touted provisions of the 2003 Bush tax cut, the temporary increase in the per-child tax credit to \$1,000, actually provides no benefit for many Nebraska families with children. In particular:

How the \$1,000 Child Credit Affects Nebraska Families with Children Under 17 in 2003

# of Families Not Helped	51,937
% of Families Not Helped	21%
# of Kids Not Helped	95,004

- More than 52,000 Nebraska families—with 95,000 children under 17—will get zero benefit from the 2003 boost in the child credit.
- These families represent 21 percent of Nebraska families with children under 17 (excluding the small number of families ineligible for the child credit because their incomes are too high).

CTJ Fifty-State Analyses of the Bush Tax Cut on the Internet: Where to Find Them

Distributional Impact of the 2003 Tax Cuts by State: www.ctj.org/html/gwb03st.htm .

Net Impact of Added Debt and Tax Cuts, First Three Bush Tax Cuts: www.ctj.org/pdf/debt0903.pdf .

Taxpayers Receiving Less than \$100 from 2003 cuts: www.ctj.org/pdf/2003statecut.pdf .

Child Credit Expansion Bypasses Many Families: www.ctj.org/pdf/2003statekid.pdf .