

## What Kamala claims:

### ▼ CUT TAXES FOR MIDDLE CLASS FAMILIES

Vice President Harris and Governor Walz believe that working families deserve a break. That's why under their plan more than 100 million working and middle-class Americans will get a tax cut. They will do this by restoring two tax cuts designed to help middle class and working Americans: the Child Tax Credit and the Earned Income Tax Credit. Through these two programs, millions of Americans get to keep more of their hard-earned income. They will also expand the Child Tax Credit to provide a \$6,000 tax cut to families with newborn children. They believe no child in America should live in poverty, and these actions would have a historic impact.

Unlike Donald Trump, Vice President Harris and Governor Walz are committed to ensuring no one earning less than \$400,000 a year will pay more in taxes. They believe that we need to chart a New Way Forward by both making our tax system fairer and prioritizing investment and innovation. They will ensure the wealthiest Americans and the largest corporations pay their fair share, so we can take action to build up the middle class while reducing the deficit. This includes rolling back Trump's tax cuts for the wealthiest Americans, enacting a billionaire minimum tax, quadrupling the tax on stock buybacks, and other reforms to ensure the very wealthy are playing by the same rules as the middle class. Under her plan, the tax rate on long-term capital gains for those earning a million dollars a year or more will be 28 percent, because when the government encourages investment, it leads to broad-based economic growth and creates jobs, which makes our economy stronger.

## The Reality:

Kamala Harris claims she wants to cut taxes for middle class families, but here's what's in her plan:

IRS Audits for working families: Getting audited is a horrendous experience, even if you've done nothing wrong. Harris cast the tie-breaking vote to hire 87,000 IRS agents to audit more people. As recently as last summer, 63% of new audits fell taxpayers earning less than \$200,000.

The IRS, like Kamala Harris, claims that it's not going to increase audits on people making under \$400K, but the Treasury Inspector General stated the agency's strategic plan, "did not include specifics on how the IRS was going to ensure it met this commitment." That's because they have no intention of ensuring they're not going to audit middle class families—that's where they're going to find the money to pay for their massive spending proposals.

Treasury Secretary Janet Yellen, under questioning in the House, could not deny that 90 percent of new audits under the IRA would be on households earning less than \$400,000. The nonpartisan Government Accountability Office found that the majority of additional taxes the IRS recommended from audits from 2010-2021 came from taxpayers with income less than \$200,000.

It's even harder to pretend that taxing working men and women isn't their focus when you think about the reporting requirement Biden-Harris signed into law to require businesses to fill out a 1099K form on transactions over \$600 made using third-party payment platforms. The reporting threshold before their bill was \$20,000.

There's no minimum number of transactions in their bill, so a single transaction over \$600 that triggers the reporting requirement creates more paperwork. Even Senate Democrats have backed different bills to blunt the impact of this enormously burdensome mandate.

The Government Accountability Office found this aspect of the Harris tax record would result in at least 30 million new 1099K forms getting sent out in 2024. The Joint Committee on Taxation found that over 90 percent of the tax burden will fall on middle class families and gig workers.

The Biden-Harris tax plan, as explicitly outlined in their formal budget request to Congress would increase taxes by \$5 trillion. That's going to stack on top of her inflationary climate spending bills and drag the economy down further. It's been estimated that "the tax changes in the Biden-Harris budget would reduce long-run GDP by 1.6 percent...wages by 1.1 percent, and employment by about 666,000 full-time equivalent jobs."

That's nearly a million people out of work and lower wages for everyone in order to shift money towards the Harris Green New Deal—as she said to CNN in her first interview after nearly a month as the Democratic nominee, her values haven't changed on that policy, which she supported enthusiastically when she was in the Senate.

All in all, the Biden-Harris record has been a massive wealth transfer from working people to the Green New Deal's constituencies—the Harris tax plan is going to be more of the same, no matter what kind of claims she makes during the campaign.