

FOR IMMEDIATE RELEASE
Thursday, December 2, 2010

CONTACT: MARA LEE
(202) 225-7163

Congresswoman Matsui Votes to Extend Middle Class Tax Cuts

98.7% of Sacramento Households Would Be Eligible for Relief

WASHINGTON, DC– Today, Congresswomen Doris Matsui (CA-5) voted to extend tax cuts for the middle class, which passed the House of Representatives by a vote of 234-188. If enacted, at least 314,838 of Sacramento households would qualify for a middle class tax cut, or 98.7 percent of all households within California’s Fifth Congressional District. The legislation now goes back to the Senate for final consideration.

“This money will go a long way in tough economic times,” said Congresswoman Matsui. “We need to give tax relief to the people who are out there every day working to make a living for their family. Middle class Americans are the ones who will invest their money straight back into the economy; they are the ones who own small businesses in our community and have the potential to create new jobs.”

The legislation would enable Sacramento families to keep a larger share of their income ranging in the thousands of dollars. For example, those earning between \$50,000 and \$75,000 per year would save \$1,130 per year; those earning between \$75,000 and \$100,000 per year would save \$1,896 per year; and those earning between \$100,000 and \$200,000 per year would save \$3,755 per year. A full analysis of how many households in California’s Fifth Congressional District would receive the tax cut, and at what levels, [is available here](#) .

Congresswoman Matsui has advocated for the need to extend the middle class tax cuts that are currently in place and are set to expire at the end of this year, but has raised concerns over Congressional Republican’s plans to extend the tax cuts for millionaires and billionaires, as had been the policy under the Bush Administration.

“To extend the tax cuts on the upper two percent adds significantly to the deficit,” Congresswoman Matsui has said. “In fact, extending the tax cuts for the top two percent would cost \$700 billion over the next ten years, and more in the decade to come. At a time when lower-income and middle-class Americans are struggling, we cannot afford to give the millionaires more hand-outs.”

In Sacramento, there are only 454 households earning between \$500,000 and \$1 million, which is less than 0.1 percent of Sacramento families. There are only 200 households in Sacramento earning more than \$1 million a year.

The legislation passed by the House today would provide a tax cut for everyone who earns less than \$200,000 per person, or \$250,000 per couple. For those earning more, the tax cut would be applied to their income under \$200,000 per person, or \$250,000 per couple.

The 111th Congress has already enacted 16 tax cuts for America's small businesses, which has totaled \$87 billion worth of tax cuts to spur investment, provide access to capital, fuel new starts and hiring, and to help them afford health insurance plans for their employees.

###