

RNC Research BRIEFING

Tax Hike Terry

Terry McAuliffe Has A Long History Of Supporting Tax Increases

Terry McAuliffe Claims He Wants To Make Virginia “The Best Place For Business.” “To be the best place for business, we have to focus on making the Commonwealth the best in efficient government, the best in education and the best in transportation.” ([Terry McAuliffe For Governor](#), Accessed 5/6/13)

IF MCAULIFFE WANTS VIRGINIA TO BE THE BEST PLACE FOR BUSINESS, WHY HAS HE SUPPORTED RAISING TAXES ON VIRGINIA’S FAMILIES & JOB CREATORS?

McAuliffe Wanted To Raise The Estate Tax Rather Than End It

In A 2009 Debate, McAuliffe Said He Disagreed With Governor Kaine On Ending The Estate Tax. THE HUFFINGTON POST’s NICO PITNEY: “Thanks. We’ve already heard several references to independence. We know Virginia has a history of iconoclastic political figures. All three of you support Governor Kaine on a wide range of issues. Can you each name one significant policy disagreement that you’ve had with the Governor, not including this gun issue, which we just discussed.” MCAULIFFE: “He ended the estate tax. I wouldn’t have done that. You know, listen, I agree with Governor Kaine on a lot of things, but I think at this time, I had a difference with him as it related to the estate tax.” (Terry McAuliffe, Remarks At A Democratic Primary Debate, Blacksburg, VA, 4/29/09)

McAuliffe Supported Letting The Bush Tax Cuts Expire On Upper-Income Earners Despite The Projected Economic Consequences

In 2012, McAuliffe Supported Eliminating The Bush Tax Cuts For Families Making Over \$250,000 And Individuals Making Over \$200,000. “McAuliffe argued in favor of the tax proposal that President Barack Obama advocated on Monday: extending Bush-era tax cuts for families making up to \$250,000 and individuals earning up to \$200,000, while letting the tax cuts for earners above that benchmark expire at the end of this year. Republicans have advocated extending the tax cuts for all, but Democrats say that is too expensive. ‘The point is, let’s get those who are making \$250,000 or less - which are 98% of the population - let’s go ahead. Republicans, Democrats agree that they ought to keep the tax cuts,’ he said. ‘Let’s just do that; get it off the table. The issue of the top 2% is much more contentious. It’s probably not going to be done before the election. It’s going to be a big fight, but let’s take care of the 98%.’” (“Barbour: If In Romney’s Poisition, I Would Release Tax Docs,” [www.cnn.com](#), 7/10/12)

- **In 2003, McAuliffe Called Bush's Tax Plan "Misguided."** "As President Bush travels to Omaha today to promote his misguided tax cut plan, over 300 local workers will go without pay at the Omaha factory where Bush's speech will occur. The President is costing workers in Omaha \$130 in a day's pay -- more than what tens of thousands of Nebraska's working families will receive under the Bush tax scheme he's there to promote. From their deep pockets, the Republican National Committee should pay the salaries of those workers who are losing out today. The American public should not be forced to keep paying for these campaign commercials for President Bush's bid for re- election." (Press Release, "Statement On Bush's Photo-Op Costing Workers A Day Of Pay," Democrat National Committee, 5/12/03)

In 2010, The Tax Policy Center Estimated That 2.7 Million Households Would Pay \$700 Billion In Higher Taxes Under The Obama Proposal, Which Would Let The Bush Tax Cuts Expire For Individuals With Income Greater Than \$200,000 And Married Couples With Income Greater Than \$250,000. ("T10-0326 - Tax Increases From Administration's Proposals By Filing Status; Basline: Current Policy, 2011," [Tax Policy Center](#), Accessed 9/15/11)

- **NOTE: 2.7 Million Households Amounted To 1.7 Percent Of All Households.** ("T10-0326 - Tax Increases From Administration's Proposals By Filing Status; Basline: Current Policy, 2011," [Tax Policy Center](#), Accessed 9/15/11)

McAuliffe Supported Letting The Tax Cuts Expire Despite A 2012 Ernst & Young Report That Found This Policy Would "Result In A Smaller Economy, Fewer Jobs, Less Investment And Lower Wages." "The confluence of fiscal policy changes scheduled to occur at the end of 2012 - sometimes referred to as the 'fiscal cliff' - poses serious challenges for policy makers. One area of disagreement is the increase in tax rates for high-income taxpayers resulting in part due to the sunset of elements of the 2001 and 2003 tax cuts. ...This report finds that these higher marginal tax rates result in a smaller economy, fewer jobs, less investment, and lower wages. Specifically, this report finds that the higher tax rates will have significant adverse economic effects in the long-run: lowering output, employment, investment, the capital stock, and real after-tax wages when the resulting revenue is used to finance additional government spending." (Drs. Robert Carroll and Gerald Prante, "Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013," [Ernst & Young LLP](#), 7/12)

The Ernst & Young Report Forecasted That Letting The Tax Cuts Expire Would Cost 19,900 Jobs In Virginia Alone, Amounting To A \$5.8 Billion Decrease In Economic Output. (Drs. Robert Carroll and Gerald Prante, "Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013," [Ernst & Young LLP](#), 7/12)

- **"Employment In The Long-Run Would Fall By 0.5% Or, Roughly 710,000 Fewer Jobs, In Today's Economy."** "Employment in the long-run would fall by 0.5% or, roughly 710,000 fewer jobs, in today's economy." (Drs. Robert Carroll and Gerald Prante, "Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013," [Ernst & Young LLP](#), 7/12)
- **Economic Output Would Contract By 1.3 Percent, Or \$200 Billion.** "This report finds that the increase in the top tax rates would reduce long-run output by 1.3% when the resulting revenue is used to finance additional government spending." (Drs. Robert Carroll and Gerald Prante, "Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013," [Ernst & Young LLP](#), 7/12)

McAuliffe Supported ObamaCare, Which Is Rife With New Taxes On Families And Job Creators

McAuliffe Supported The Passage Of ObamaCare. MCAULIFFE: "President Obama went in, dealt with healthcare; passed it. It was tough. We may not have agreed with all parts of it. We didn't get everything we wanted. I happen to have been a big supporter of the public option, but you know what? We are better off today than we were before." ("Terry McAuliffe Rallies The Arlington Young Dems," [Moran For Congress](#), Uploaded 10/22/10)

Obama Pays For His Government Takeover Of Health Care With \$841.3 Billion In Job-Killing Taxes On Small Businesses, Investments And Innovation.

(“Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act,” [Congressional Budget Office](#), 3/12; “Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12; “Budget And Economic Outlook,” [Congressional Budget Office](#), 2/5/13)

\$317.7 Billion In New Income Taxes Over 10 Years.

(“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12)

- **“Starting In 2013, The Bill Adds An Additional 0.9% To The 2.9% Medicare Tax For Singles Who Earn More Than \$200,000 And Couples Making More Than \$250,000.”** (Editorial, “Taxes Upon Taxes Upon...,” [The Wall Street Journal](#), 7/11/11)
- **“For First Time, The Bill Also Applies Medicare’s 2.9% Payroll Tax Rate To Investment Income, Including Dividends, Interest Income And Capital Gains.”** (Editorial, “Taxes Upon Taxes Upon...,” [The Wall Street Journal](#), 7/11/11)
- **High-Income Earners Will Pay Thousands In Medicare Payroll Taxes.** “High-income earners – families making more than \$250,000 – will pay several thousand dollars more in Medicare payroll taxes starting in 2013.” (“How The Health Care Overhaul Could Affect You,” [The New York Times](#), 3/21/10)

CBO Projects That Employers Will Pay \$130 Billion In ObamaCare Mandated Penalties From 2013 To 2022.

(“Budget And Economic Outlook,” [Congressional Budget Office](#), 2/5/13)

\$111 Billion From A “Whopping” 40 Percent Excise Tax On High Cost Employer-Sponsored Health Coverage.

(“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12; Editorial, “Taxes Upon Taxes Upon...,” [The Wall Street Journal](#), 7/11/11)

- **High-End “Cadillac” Coverage Plans “Will Face A 40% Tax On Benefits Costing More Than \$10,200 For Individuals And \$27,500 For Families.”** (Joseph Rago, Op-Ed, “Lies, Damn Lies And The ObamaCare Sales Pitch,” [The Wall Street Journal](#), 10/18/10)

\$101.7 Billion Over 10 Years From Health Insurance Tax (HIT) Which “Will Be Passed Along To Consumers In Higher Health-Care Costs.”

(“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12; Editorial, “Taxes Upon Taxes Upon...,” [The Wall Street Journal](#), 7/11/11)

- **ObamaCare’s HIT Tax On Insurers Will Hamper Small Business.** “The 2010 health care law, the Patient Protection and Affordable Care Act (PPACA), hits small business with a barrage of inequities. Among the most egregious is the health insurance tax (HIT) launched by the law’s Section 9010. Ostensibly a tax on insurers, its real effect will be hundreds of billions of dollars of taxation on people who purchase coverage in the fully-insured market – mostly small business employers and employees and the self-employed...” (Robert F. Graboyes, “The HIT Hit: PPACA’s Health Insurance Tax,” [The Health Care Blog](#), 7/3/11)