



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

RICHARD L. TRUMKA
PRESIDENT

ELIZABETH H. SHULER
SECRETARY-TREASURER

ARLENE HOLT BAKER
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5057



December 1, 2011

Dear Senator:

On behalf of the AFL-CIO, I am writing to urge you to vote for a one-year extension of a reduction in payroll taxes, as provided by the Middle Class Tax Cut Act of 2011 (S. 1917).

The U.S. economy is still suffering from an economic crisis that was caused by economic policies that failed because they served the interests of Wall Street and the richest one percent of Americans, rather than the remaining 99 percent of us. Much more needs to be done to get us out of this crisis, to close our jobs deficit and put America back to work. The AFL-CIO has proposed a 6-point jobs plan, and we challenge both parties to fight for solutions that are on the same scale as the problems we face.

Our economic recovery is hobbled by economic inequality that is greater today than it has been since the Great Depression, and reducing inequality will be critical to rebuilding our economy for the 21st century. We learned from our experience in the postwar period that building a healthy and vibrant middle class and reducing inequality fuels robust economic growth and creates a virtuous cycle of broadly shared prosperity.

At this critical and dangerous time for the U.S. economy, it is important to put money in the hands of the middle class, so they can sustain healthy domestic markets that give American businesses the confidence to invest. S. 1917 would put money into the hands of the middle class, and it would be paid for by a modest 3.25% surtax on income over \$1 million.

In 2009 the AFL-CIO strongly supported the Make Work Pay Tax Credit, which was replaced – at the insistence of Republican leadership in Congress – by a one-year reduction in payroll taxes. We continue to prefer the Make Work Pay Tax Credit or other progressive approaches that draw from general revenues rather than the Social Security Trust Fund.

However, this one-year extension of the payroll tax reduction, coupled with a surtax on income over \$1 million, does not meet the fundamental test of addressing economic inequality and putting money into the hands of the middle class, which will support jobs and economic growth.

The Republican alternative does not meet that test because it asks for even more from working people, who have already sacrificed quite a lot, and protects millionaires from having to pay their fair share. This inordinate attention to the demands of the wealthiest one percent is a good illustration of how our economy got broken in the first place.

For all these reasons, we ask you to support a one-year extension of the payroll tax reduction, coupled with a surtax on income over \$1 million, and to vote against the Republican attempt to protect millionaires from shared sacrifice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written over a faint, illegible background.

William Samuel, Director

GOVERNMENT AFFAIRS DEPARTMENT