

Revised May 11, 2006

## **STATEMENT OF ROBERT GREENSTEIN, EXECUTIVE DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES, ON THE TAX-CUT RECONCILIATION AGREEMENT**

This indefensible agreement provides a windfall for the most well-off but little or nothing for most other Americans, relies on budget gimmicks to help mask its long-term costs, and will further increase our already large and unsustainable deficits. Analysis by the Urban Institute – Brookings Tax Policy Center show that the agreement will provide an average tax cut of just \$20 to Americans in the middle of the income spectrum, while showering tax cuts that average \$43,000 on people who make more than \$1 million a year. Analysis by the Tax Policy Center also finds the legislation will increase long-term deficits.

This conference agreement comes just a few months after Congress enacted budget cuts affecting millions of lower- and middle-income families and elderly people. It's now clear that those budget cuts served merely to pay for a fraction of these tax cuts, not to reduce the deficit. Congress has once again chosen the wrong priorities for our country, worsening our already serious fiscal problems and further widening the gaping disparities between the most well-off and other Americans.