

WELCOME DEAL: Taxpayers get a win

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President Barack Obama and Congressional Republicans played a version of "Let's Make a Deal" that leaves the tax-paying public in better shape — at least for the next two years. We could have all come out of this better, but at least we didn't come out of it worse.

As the President noted, not extending the Bush-era tax cuts could have cost the economy 1 million jobs and typical households some \$3,000 a year. Despite the blindness of many liberals, that is something that our government could not let happen — not with an uncertain economy and an unemployment rate that is hovering around 10 percent. And though many Democrats were pushing for a tax hike for high-income earners, keeping those rates steady will do nothing but spur on more investment, which is a key to turning this wishy-washy economy around. Federal Reserve Chairman Ben Bernanke said Sunday night on "60 Minutes" that it may take years for the nation to return to a normal employment pattern. But the President is betting that the economy will look much better in 18 months, and he very well may be right.

At some point, taxes will have to rise and spending will have to be cut. Our national debt cannot continue to reach new levels every single month. But cutting the debt is much easier to accomplish during a robust economy than during an unstable one. If we can get the economy going forward, the debt is much easier to fix.

One area that was failed by this deal concerns inheritance taxes. As part of the agreement between the President and Republicans, the death tax was raised from zero to 35 percent, with an exemption for the first \$5 million of an estate. That's better than the 55 percent rate that was scheduled to kick in Jan. 1, but still a hit to those who have worked their entire lives to save for their families. The \$5 million exemption, however, will save many families a great deal of heartache.

Extending the unemployment benefits was also a positive move. With so many currently unemployed, it does the country no good to simply cut them off.