

# BACKGROUND



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## PRESIDENT BUSH VERSUS CLINTON ON TAX HIKES

- o The truth about Clinton's record: Today, Bill Clinton is likely to attack President Bush for having signed a tax increase. Fortunately for Clinton, no Arkansas citizen who has had to stomach 128 Clinton tax and fee increases will be on hand.
- o Clinton's Arkansas -- one of the most regressive tax systems: Of Clinton's 128 tax and fee hikes, 48 hit middle- and low-income families directly. While Clinton preaches "tax fairness," a 1988 Citizens for Tax Justice study concluded that Clinton's Arkansas has one of the ten most regressive tax systems in regard to sales taxes in the United States. Arkansas is one of the few states which still taxes groceries.
- o Clinton on hikes in the gas tax -- who, me? Clinton's attack on the President would not be the first time he has run from his own record to attack someone else's. During the primaries he assaulted Paul Tsongas' proposed hike in the gas tax. But, as Governor, Clinton signed two gasoline tax increases, including a 5 cent per gallon tax just last year.
- o Clinton's tax and spend "strategy": Clinton has promised every American family that he would work to impose \$150 billion in new taxes -- the largest single tax increase in American history. Mixed into his recipe for economic disaster, Clinton has also promised massive new spending -- \$220 billion. Including his play-or-pay health plan, the real total is \$416.5 billion!
- o Who will pay for Clinton's taxes: As Clinton proved in Arkansas, the real victims of his tax hikes are hard-working American families. Clinton's new taxes will hit over 800,000 small businesses and cause 2.5 million Americans to lose their jobs -- one million in defense industries alone.
- o The Bush record: When President Bush reluctantly agreed to sign a one-time tax increase, he did so because the Democratic leaders in Congress promised to cut government spending. They did not keep their word. But, when they again passed a tax hike, the President said "enough is enough." He vetoed the Democrats' tax hike and sent them back billions of dollars in spending cuts. The President's anti-spending plan -- a Balanced Budget Amendment, line-item veto authority, and real caps on spending growth -- will give him the power he needs to cut the deficit and end the Democrats' hand-to-mouth, tax and spend disease.

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