



Written by [Bob Adelman](#) on April 25, 2014

## Congressional Budget Office Confirms Obama's Attack on the Middle Class

Robert Klein, a nationally renowned accountant who has written widely on taxes for many respected journals, was astonished to learn [how much the taxes on his wealthy clients jumped](#) just in the last year:

For [my] clients in the 39.6% tax bracket ... their average federal income tax liability was \$436,000, \$51,000 greater than their 2012 tax liability ... an average increase [of] 13.3%....



In summary, if you were in the 39.6% tax bracket in 2013, the 4.5% increase in your tax bracket, combined with additional income-tax liability resulting from additional tax on Medicare wages, a loss of itemized and personal exemption deductions, a 5% surcharge on long-term capital gains and qualified dividends, and the 3.8% tax on net investment income, reduced your spendable income considerably.

The damage was [even] greater for those subject to state income tax to the extent that unfavorable state tax law changes took effect in 2013.

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What was most revealing, and unnerving, in his study was how few people fall into his super-wealthy client category. In 2012, the IRS processed 137 million income tax returns, but only 2½ million showed an income in excess of \$250,000. However, they paid 40 percent of all income taxes. In simple terms, there aren't enough really rich people to fund the government's debts and so most of the burden must fall on the middle class.

That was made abundantly clear in the latest report issued earlier this week by the Congressional Budget Office (CBO) of its analysis of Obama's budget proposal presented in March. Despite huge increases in taxes, deficits will continue into the future unabated, adding some \$7 trillion in new debt to the country's already unsustainable \$17 trillion national debt. By 2024, the national debt, according to the CBO, will exceed \$25 trillion. And this despite raising taxes by an estimated \$1.4 trillion over that period.

Especially concerning is the CBO's discovery that, with Obama's planned cuts in deductions and exclusions along with a new category of income tax, total income taxes will be higher than at any time in the nation's history. Here's how the CBO explains it:

[Income tax] revenues would rise from 17.6 percent of GDP [Gross Domestic Product] in 2014 to 19.2 percent in 2024, compared [to the] average over the past 40 years of 17.4 percent....

If enacted, those changes would boost revenues by ... \$1.4 trillion ... during the 2015-2024 period.

Despite the increase in taxes, deficits would continue indefinitely, reflecting no attempt whatever to use them to reduce the national debt. Because there are so few truly wealthy, the burden must fall on the fading middle class: the vast majority who still work and pay taxes the hard way.



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A vital and prosperous middle class is the backbone of a free society, according to author Taylor Caldwell:

The middle class made the dream of liberty a possibility, set limits on the government, fought for its constitutions, removed much of governmental privilege and tyranny, demanded that rulers obey the just laws as closely as the people, and enforced a general civic morality.

A strong middle class also assures a continually improving standard of living for everyone, as noted by Robert Welch in the John Birch Society *Bulletin* in 1975:

The ideal way of alleviating poverty is by enabling and encouraging the poor to improve their own lot. The greatest help in the world to that end is a middle class, especially one with a very wide spread in its economic boundaries....

When class lines are vague, and classes overlap, and the middle class is a comprehensive term reaching from a good percentage of day laborers to an even larger percentage of bank presidents — in each case according to their own self-classifications — it is only extreme irresponsibility or government handouts that will keep the “poor” of today from becoming members of the “middle class” of tomorrow.

The year before, Welch outlined the threats against the middle class which now, in review, illustrate a remarkable insight and foresight into the present financial crisis that Obama seeks to exacerbate. The future will see, according to Welch:

1. Greatly expanded government spending for every conceivable means of getting rid of ever larger sums of American money as wastefully as possible.
2. Higher and then much higher taxes.
3. An increasingly unbalanced budget despite the higher taxes.

Why would the president persist in his efforts to neuter America’s middle class? Part of the answer must be his adherence to the teachings of his mentor, Saul Alinsky. Alinsky was the author of [Rules for Radicals](#), which Barack Obama used as a teaching tool while a community organizer. Another radical, now reformed, is David Horowitz, who provided part of the answer in his book [Barack Obama’s Rules for Revolution: The Alinsky Model](#):

This is something that conservatives generally have a hard time understanding. As a former radical, I am constantly asked how radicals could hate America and why they would want to destroy a society that compared to others is tolerant, inclusive and open, and treats all people with a dignity and respect that is the envy of the world.

The answer to this question is that radicals are not comparing America to other real world societies. They are comparing America to the heaven on earth — the kingdom of social justice and freedom — they think they are building. And compared to this heaven even America is hell.

All that the CBO has done is to confirm the president’s determination to so burden the middle class with additional taxes as to neutralize their opposition to tyrannical government.

*A graduate of Cornell University and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [www.LightFromTheRight.com](http://www.LightFromTheRight.com), primarily on economics and politics. He can be reached at [badelman@thenewamerican.com](mailto:badelman@thenewamerican.com).*



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