



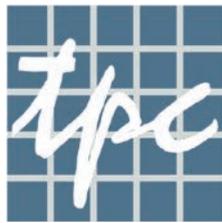
TAX POLICY CENTER

URBAN INSTITUTE AND BROOKINGS INSTITUTION

INFORMING
THE DEBATE

ANNUAL REPORT

2012



Informing the Debate

The Urban–Brookings Tax Policy Center

Annual Report 2012

The Urban Institute, 2100 M Street, NW, Washington, DC 20037

The Brookings Institution, 1775 Massachusetts Ave., NW, Washington, DC 20036

Letter from the Directors

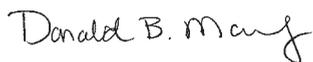
Tax issues dominated domestic policy debates in 2012. In the midst of a contentious presidential election, the nation faced weak job growth, soaring national debt, and rising concern about income inequality. Political leaders offered diverse plans to respond to these challenges, many involving the tax code. The Tax Policy Center played a leading role examining those ideas, showing how they would affect individual taxpayers and future deficits. TPC analyzed President Obama's budget, presidential candidate Mitt Romney's tax plan, America's international competitiveness, and the impact of the potential "fiscal cliff." In the aftermath of Governor Romney's widely publicized comments about the 47 percent of Americans who do not pay federal income taxes, TPC corrected several misconceptions about this figure through blog posts and an invited *Washington Post* op-ed.

As a result, there was a remarkable amount of public interest in our work. The public's appetite for our clear, objective analysis was evident in the sizeable number of news organizations that relied on TPC in 2012. We were cited more than 5,000 times, grounding news coverage in analysis and facts. While some of our analysis was controversial, we received an overwhelming amount of support from our funders, the press, pundits, and the general public in defense of TPC's rigorous research, dedicated staff, and nonpartisan stance. *Tax Analysts* named TPC its 2012 *Person of the Year*, and the *Washington Post's* *Wonkblog* team awarded us *Best Think Tank* and *Best White Paper*.

Late in the year, the Price Family Charitable Fund awarded the Urban Institute a seven-year, \$5 million grant to support TPC. We will use this generous funding to expand our research on taxes and equity and to enhance our outreach. The gift honors the legacy of the late Sol Price and his lifelong interest in social and economic policy. In recognition of that interest, TPC's Roberton Williams was named the first Sol Price Fellow. To top it all off, TPC celebrated its tenth anniversary in April. In short, 2012 was an incredibly busy and productive year and we'd like to thank all of those who helped make it happen.

Though the presidential election and the fiscal cliff are behind us, tax policy debates continue. And the way those issues are addressed will be pivotal for America's economic and fiscal future. Congressional tax-writing committees are already gearing up for a major tax reform effort and have invited TPC experts to share our perspectives. With the generous support of our funders, TPC will continue to examine federal tax and fiscal policy issues, expand our research on state and local fiscal policy, invest in our modeling capabilities, and increase our communications and outreach. We know there is a lot of work ahead of us; however, we embrace the challenge and look forward to the opportunity to inform journalists, the public, and policymakers for years to come.

As always, thank you for your interest and support.



Donald Marron



Eric Toder



William Gale

About the Tax Policy Center

The Tax Policy Center, a joint venture of the Urban Institute and the Brookings Institution, has filled a critical need for effective, nonpartisan analysis of tax policy since opening its doors in 2002. Our objective, timely, and accessible information helps policymakers, journalists, academics, and taxpayers identify and evaluate current and emerging tax policy options. We believe that better information, rigorous analysis, and fresh ideas injected at key points in the policy debate can forestall bad policies and reinforce good ones. Since TPC's inception, we have focused our efforts on four overarching areas:

Fair, simple, and efficient taxation. Virtually everyone agrees that taxes should be fair, simple, and efficient. Disagreement arises over how to define and achieve those objectives. The TPC quantifies trade-offs among these goals and searches for reforms that increase simplicity, equity, and efficiency.

Social policy in the tax code. After shifting much of social policy from direct expenditures to tax subsidies over the past quarter-century, Congress is now reconsidering the role of tax subsidies. A full assessment of social policy as well as tax progressivity, marriage penalties, and related issues requires consideration of both tax and spending programs. TPC is evaluating this ongoing revolution in tax and social policy.

Long-term implications of tax and budget choices. Long-term projections paint a bleak picture of the nation's fiscal prospects because of increased spending related to rising health care costs and the retirement of the baby boomers. The Tax Policy Center examines the implications of current policies and the alternative tax changes that could help close the budget gap.

State tax issues. Many Americans pay more in state and local taxes than they do in federal ones, and like the federal government, states often use the tax system to encourage business development and help low-income families. As part of the Urban Institute's State and Local Finance Initiative, TPC experts analyze how federal, state, and local tax policies interact and evaluate the fairness and efficiency of the different ways governments raise revenue.

"We believe that good information leads to better policy discussions and ultimately better policy outcomes."

**Donald Marron interview with the
New York Times' Annie Lowrey**

Productivity at a Glance, 2012

Research and Testimony

55 discussion papers, research reports, policy briefs, articles, and commentaries
5 testimonies before Congress
175 *TaxVox* blog entries

Public Outreach

10 public policy symposia
21,788 *TaxVox* RSS subscribers
4,591 subscribers to TPC's newsletter

Media

More than **5,000** citations in major media articles; more than **35** staff appearances on network television and radio news programs

Web Site

1.86 million unique visitors
468,000 *TaxVox* page views

Most Viewed Publications of 2012

***Toppling Off the Fiscal Cliff:
Whose Taxes Rise and
How Much?***

by Roberton Williams, Eric Toder, Donald Marron, and Hang Nguyen

***On the Distributional
Effects of Base-Broadening
Income Tax Reform***

by Samuel Brown, William G. Gale, and Adam Looney

***Implications of Governor
Romney's Tax Proposals:
FAQs and Responses***

by Samuel Brown, William G. Gale, and Adam Looney

***Five Myths about
the 47 Percent***

by William G. Gale and Donald Marron

***How Hard Is It to Cut
Tax Preferences to Pay for
Lower Tax Rates?***

by Hang Nguyen, Jim Nunns, Eric Toder, and Roberton Williams

Fair, Simple, and Efficient Taxation

Our Work & Impact

There was a remarkable demand for our research and analysis in 2012, as tax and budget policy issues dominated headlines. From the presidential campaign to the “fiscal cliff” to ongoing efforts to reform the tax system or strike a “grand fiscal bargain,” TPC was active helping people understand tax proposals and developing ideas.



In an Urban Institute video, TPC's Donald Marron walks viewers through the anatomy of the fiscal cliff, explaining exactly what is at stake for Americans in various income groups.

Highlights

Analyzing tax proposals affecting everyday citizens.

TPC took a leading role in examining the various proposals, showing how they would affect individual taxpayers and how much additional revenue they might raise. In March, for example, TPC produced in-depth analyses of Mitt Romney's tax proposals. Romney offered two plans, one early in the primaries and the other near their conclusion. TPC's analyses of these plans were some of our most-cited work ever. In August, TPC released a very widely cited paper that examined the trade-offs among three competing goals inherent in any revenue-neutral income tax reform: maintaining tax revenues, ensuring a progressive tax system, and lowering marginal tax rates. That analysis demonstrated that Governor Romney's proposal could not accomplish all the goals that he had set for it and that

without major changes, it could provide large tax cuts to high-income households while increasing tax burdens on middle- and/or lower-income taxpayers. TPC's analysis was cited in two of the presidential debates and in the vice-presidential debate, among many other places.

Setting the record straight about the “47 percent.”

In the aftermath of Governor Mitt Romney's widely publicized comments about the 47 percent of Americans who do not pay federal income taxes, TPC published blog posts and an invited *Washington Post* op-ed correcting several misconceptions about this figure. For example, the vast majority of these households do pay other taxes—such as federal payroll taxes and state and local sales, property, and income taxes—and nearly everyone who pays neither income nor payroll tax is either elderly or poor.

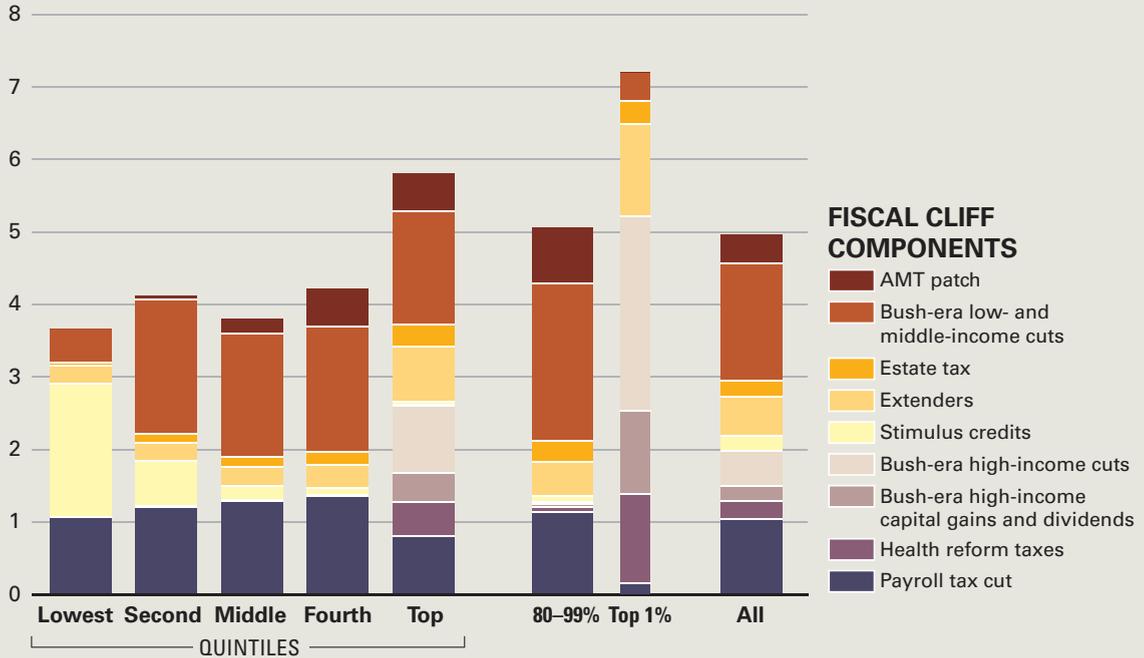
“There has been no shortage of words dedicated to the potential tax implications of the fiscal cliff. But leave it to those geniuses at the Tax Policy Center to turn all of the meaningless rhetoric into pure, simple math. The TPC recently published a 2013 tax calculator, and if you enjoy hypothetical situations and pressing the TAB key and plugging numbers into forms as much as I do, you’ll just love it.”

Patrick Nitti, *Forbes*



Change in Average Federal Tax Rate by Cash Income Percentile, 2013

PERCENTAGE POINTS



Source: Urban-Brookings Tax Policy Center Tables T12-0208 to T12-0216



TPC's Donald Marron, Howard Gleckman, and the Pew Research Center's Diane Lim participate in "Danger Ahead? Taxes and the Fiscal Cliff" on October 2.

Analyzing the challenges and opportunities presented by the "fiscal cliff."

In early October, TPC published a detailed look at the many tax increases then scheduled to occur at the end of the year. Although media attention had often focused on the expiration of the income tax cuts first enacted in 2001 and 2003 under President Bush, the report also examined other looming tax changes, including the potential expiration of tax credits originally enacted under President Obama, the expiration of the 2011 payroll tax cut, the restoration of the Clinton-era estate tax, and the beginning of various taxes included in 2010's health reform legislation. The report documented their potential effects on federal revenue, the distribution of the tax burden, and economic incentives. These findings were widely cited during the subsequent three months and formed the basis for infographics and reports in numerous leading media outlets. They also formed the foundation for a high-profile

TPC event on the fiscal cliff and series of blog posts and media interviews.

Reducing the tax gap. The tax gap is the difference between taxes owed and taxes paid on time. The Internal Revenue Service (IRS) estimates that over the past 30 years, the tax gap has ranged from 16 to 20 percent of total tax liability.

TPC held its second annual full-day conference, cohosted with the IRS, on how to improve the administration of the tax system. The well-attended conference featured presentations on understanding the taxpayer experience, measuring the tax gap, understanding individual tax compliance behavior, and the tax implications of business complexity. The research results from the conference contribute to improving the IRS's administration of the tax system and to better understanding how the tax system works in practice for individuals and businesses.

TPC's Eric Toder opens "New Research on Tax Administration: An IRS-TPC Research Conference" on June 21.



Social Policy in the Tax Code

Our Work & Impact

TPC evaluated proposals to reform specific tax incentives, including those for mortgage interest, higher education, and charitable giving. In addition, we provided policymakers with estimates of various options to reform of the child tax credit and the earned income tax credit, published several studies analyzing the distribution of child-related benefits, hosted events on issues affecting low-income families, and participated in working groups concerned with tax credits for low-income families as well as general tax policy for children and families.

TPC's Elaine Maag studies social assistance in the tax system, particularly for low- and middle-income families.



MARRIAGE & TAXES: PLUSSES & MINUSES

	\$225,000-\$25,000 EARNINGS SPLIT			\$150,000-\$100,000 EARNINGS SPLIT		
	NO CHILDREN	TWO CHILDREN*	FIVE CHILDREN*	NO CHILDREN	TWO CHILDREN*	FIVE CHILDREN*
TAX IF SINGLE	51,066	44,344	41,855	43,748	38,908	34,444
REGULAR TAX BONUS (-)/PENALTY(+)	-1,483	-2,195	-4,783	2,460	4,477	4,544
AMT BONUS (-)/PENALTY(+)	-1,489	583	3,691	1,886	3,958	5,755
TAX CREDITS BONUS (-)/PENALTY(+)	0	5,362	7,301	0	750	3,750
TAX IF MARRIED	48,093	48,093	48,093	48,093	48,093	48,093
TOTAL BONUS (-)/PENALTY(+)	-2,973	3,749	6,228	4,345	9,185	13,649

NOTE: All cases assume that the couple earns \$250,000, divided as shown. The husband has higher earnings and \$25,000 in dividends, pays \$20,000 in property taxes, \$24,000 in mortgage interest and \$5,000 in charitable donations. The wife has only earnings and no itemized deductions. Children, if any, are under age 17. The couple has no childcare expenses.

* WHEN THE COUPLE FILES AS INDIVIDUALS, THE MOTHER CLAIMS ALL CHILDREN AS DEPENDENTS.

SOURCE: ROBERTON WILLIAMS, URBAN-BROOKINGS TAX POLICY CENTER



In May, CNBC used TPC estimates to show how the alternative minimum tax can create marriage penalties for some couples.

Highlights

Examining how fiscal policy affects children. TPC scholars published comprehensive reports on federal spending and tax programs that provide benefits to families with children. Certain provisions like the earned income tax credit and the child tax credit provide important benefits to low-income workers and families with children. In *Kids' Share 2012: Report on Federal Expenditures on Children through 2011*, Gene Steuerle and coauthors looked comprehensively at trends over the past 50 years in federal spending and tax expenditures on children. The report's key

“To the untrained eye, that table may not look like much. But to those of us who’ve been involved in the tax debate this year, we know better. That’s a distributional analysis from the Tax Policy Center. That is to say, it’s a breakdown of who will pay how much more, or less, under a proposed tax plan, and it’s been prepared by the best tax wonks in the business. In a debate rife with partisan misinformation and strategic vagueness, these tables have been a lifeline for those of us trying to figure out what the various tax policies actually mean, and who they’d actually help.”

Wonkblog Wonky Award, Washington Post

findings suggested that over the next decade, support for children will decline from 10 percent of the federal budget to 8 percent. In May, a related report comprehensively reviewed the many tax provisions that affect, and often assist, low-income families and children.

Addressing tax expenditures. TPC has been a leader in analyzing the pros and cons of social and economic policies delivered through the tax code and in considering potential reforms. Our work has documented the size and scope of these tax breaks and their implications for thinking about the size of government. For example, in *Curbing Tax Expenditures*, Eric Toder and coauthors reflected on how tax expenditures have changed over the past 25 years and provided estimates of the distribution of tax savings resulting from tax expenditures today. They explored three approaches for applying across-the-board limits to a selected group of the largest and most widely used tax preferences. They concluded that the three options—a fixed percentage credit, a cap based on income, and a constant percentage reduction—can all be designed to raise significant revenue for deficit reduction progressively.

Long-Term Implications of Tax and Budget Choices

Our Work & Impact

TPC continued to play a leading role in documenting the fiscal challenges that face the United States and in analyzing ways to address them. TPC staff published reports and commentaries and organized forums to discuss alternatives to help address long-term budget challenges without damaging the slow recovery in the U.S. economy.

Highlights

Documenting the magnitude of America’s medium- and long-term deficit challenges. Bill Gale and Alan Auerbach updated their well-known estimates of America’s real fiscal outlook. In *The Federal Budget Outlook: No News Is Bad News*, they noted that even if the economy recovers fully by 2018, current policy will result in deficits close to \$9 trillion over the next decade.

Evaluating revenue-raising strategies. TPC evaluated strategies to raise revenue by reforming both the personal and corporate income taxes and by introducing new taxes, such as a value-added tax (VAT). In *Implications of Different Bases for a VAT*, Jim Nunns, Eric Toder, and Joseph Rosenberg



TPC visiting fellow Steve Rosenthal and Tax Analyst’s Lee Sheppard participate in, “Making Wall Street Pay: The Pros and Cons of Financial Taxes” on May 18.

discussed how a broad-based VAT that excludes food, housing, and medical care would impose larger burdens as a share of income on low-income taxpayers than on those with high income. They concluded that a broad-based VAT, accompanied by a rebate consisting of an earnings credit up to a ceiling

“We have frequently cited the Tax Policy Center’s work. In a town full of partisans, the group is about as even-handed and nonpartisan as possible. The staff roster consists of serious and credible analysts with experience working in the administrations of both parties.”

Glenn Kessler, *Washington Post*



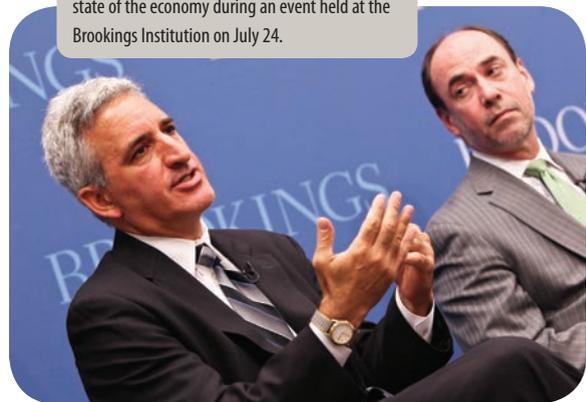
TPC's Donald Marron and the Brookings Institution's Alice Rivlin on tax reform options in light of the 2012 elections and expiring cuts.

amount and an adjustment in cash transfer payments, would impose tax burdens that generally increase as income rises.

Examining the role of tax reform in long-term deficit reduction. Through research and events, we focused on the potential to reform tax preferences to finance a combination of tax reform and deficit reduction. In *Tax Reform for Growth, Equity, and Revenue*, Sam Brown and Bill Gale examined the fiscal outlook and tax reform options in the United States. They drew four conclusions: the United States faces a substantial fiscal shortfall in the medium and long term; both spending cuts and tax increases should contribute to the solution; tax increases need not do significant harm to economic growth; and sensible approaches could both reform tax structure and raise revenues, including tax expenditure reform, the creation of a value-added tax, the creation of a carbon tax, or an increase in the gasoline tax.

Examining the tax systems and tax reforms in other nations. By examining the tax systems and tax reforms in other nations, the Tax Policy Center tries to identify economic, political, and administrative lessons for building a better U.S. tax system. In *International Competitiveness: Who Competes Against Whom and for What?*, Eric Toder defined what competitiveness between countries means and explored how different tax policies may help or hinder efforts to attract high-skilled labor, capital investment, and headquarters of multinational corporations. He concluded that while these inputs contribute to living standards, elevating competition for them into a final goal of policy instead of a consideration that must be weighed against costs of tax policies that attract them could lead to seriously flawed policies.

TPC's William Gale and the American Action Forum's Douglas Holtz-Eakin weigh in on the state of the economy during an event held at the Brookings Institution on July 24.



State Tax Issues

Our Work & Impact

Since its earliest days, TPC has worked to highlight and address the fiscal challenges facing state and local governments. In 2012, the Urban Institute launched a new State and Local Finance Initiative housed within the Tax Policy Center, expanding our work in this area. The initiative's goals are to provide reliable, unbiased data and analysis about the challenges state and local governments face, to identify potential solutions, and to evaluate the consequences of competing alternatives. Since its launch, we have raised funds for the initiative and hired Norton Francis and Ben Harris. They, in conjunction with Tracy Gordon at the Brookings Institution, will expand our work on state and local issues and on the important relationships between federal, state, and local governments.

Highlights

Exploring how federal tax reform could affect state and local governments. Many federal tax reforms could directly or indirectly affect state and local finances. Changing the exemption for municipal bond interest, for example, could increase local governments' borrowing costs, and cutting back the deduction for state and local tax payments could make residents more resistant to state taxes. TPC scholars explored these and related issues in a series of reports, a conference cohosted with UCLA, Senate testimony, and subsequent events.



TPC's Howard Gleckman, Kim Rueben, and George Mason University's Frank Shafroth participate in "Fallout from Federal Tax Reform: Implications for State & Local Revenues" on September 21.

- In February, Eric Toder and others presented papers at *Federal Tax Reform Beyond the Beltway: How Federal Tax Reform and Tax Policy Will Affect State and Local Governments*, a one-day event hosted by TPC and the UCLA School of Law.
- Kim Rueben testified before the Senate Committee on Finance on what federal tax reform means for state and local tax and fiscal policies.
- In September, TPC and George Mason University's Center for State and Local Government Leadership cohosted *Fallout from Federal Tax Reform: Implications for State & Local Revenues*.
- Norton Francis published "Back from the Dead: State Estate Taxes after the Fiscal Cliff," which examined how the possible expiration of the federal estate tax cut would affect state tax systems and budgets.

Documenting the important role of income tax systems in strengthening the social safety net. TPC launched an online tool, the Net Income Change Calculator (NICC), which allows users to evaluate the interaction of many federal and state policies that are intended to help low-income families. TPC researchers used the calculator to analyze state tax systems and their impact on low-income families. In “State Tax Systems Can Be Important Part of Safety Net,” Elaine Maag found that state tax provisions account for more than 10 percent of total support in 12 states but provide no support in many other states. In addition, the NICC highlights that raising resources from the poverty level to twice that amount can be extremely difficult because families rapidly lose tax benefits and program support over this income range.

Eugene Steuerle also used the NICC in his research on the true marginal tax rates facing low- and moderate-income families. Steuerle presented his analyses of marginal tax rates, work, and the national’s real tax system before a joint hearing of the House Subcommittees on Human Resources and Select Revenue Measures.

Examining key state and local budget issues. TPC explored changing state and local revenue patterns and held a series of meetings examining state and local fiscal health. Topics included the fiscal health of cities, the relationship between housing issues and property taxes, and how nonprofit tax exemptions affect state and local governments.

“A novel tool developed by the Urban Institute, a nonpartisan social policy think tank in Washington, measures the complex interactions between federal and state income taxes, payroll taxes, and a raft of potential benefit programs. The tool sheds new light on what can often be a brutal reality for those at the lowest rungs of the economic ladder.”

Tom Zeller Jr., *Huffington Post*



TPC’s Kim Rueben prepares to testify before the Senate Finance Committee on what federal tax reform means for the tax and fiscal policies of states.

- TPC scholars participated in workshops and annual conferences for specific cities and states as well as state and local government organizations including the National League of Cities, the Council of Chief State School Officers, the National Council of State Legislatures, the National Governors Association, and forums on state and local reform in California, Michigan, and New Jersey.
- Staff from TPC and the Urban Institute’s Center for Nonprofits & Philanthropy hosted an event on the charitable property-tax exemption and PILOTs.

Investing in Capability

TPC's Microsimulation Model

TPC owes much of its success to our sophisticated microsimulation model of the tax system. The model allows TPC researchers to examine the distributional implications of the current tax system and to estimate the revenue and distributional effects of tax policy proposals.



Highlights

Enhancing our methodology. TPC unveiled an updated version of its microsimulation model of the federal tax system. We retargeted the model to incorporate fresh data from the Congressional Budget Office (CBO), the IRS, the Census Bureau, and the Federal Reserve. We implemented a new methodology to improve our estimates of itemized deductions and tax expenditures and to track more closely official projections for the alternative minimum tax put out by CBO and the Joint Committee on Taxation (JCT). We also revamped our methodology for analyzing changes to the tax benefit for mortgage interest.

Improving our education and health modules. We updated the education module to incorporate the most recent demographic and financial data available from the Department of Education and data on the use of education tax credit and tuition and fees deduction from the IRS. With this update, the tax model is now the only known

nongovernmental microsimulation model that can analyze both education subsidies, such as Pell grants, and education tax incentives, such as the American Opportunity Tax Credit and the Hope Credit.

We also updated our health module to include detailed information from the Kaiser/HRET Employer Health Benefits Surveys about employer-provided health benefits such as employer-provided health, dental, and vision insurance, cafeteria plans, medical flexible spending arrangements, health reimbursement arrangements, and health saving accounts.

Revamping our approach to distributing corporate income tax. We implemented a new approach to distributing the burden of the corporate income tax. TPC previously assumed that the entire burden fell on the owners of capital. After an extensive analysis of recent research,

“But what if you’re interested in a detailed discussion of the candidates’ plans and what they’ll mean for taxpayers? There’s no better place to check in from time to time than the Tax Policy Center. A joint enterprise of the Urban Institute and the Brookings Institution, the center’s nonpartisan experts produce well-regarded studies.”

Scott Lehigh, *Boston Globe*

we now assume that 60 percent is borne by the owners of corporate stock, 20 percent by the owners of all capital, and 20 percent by labor. Our current assumptions are similar to those now made by CBO and Treasury.

TPC Web Site & Online Resources

TPC has become the media’s go-to source for objective nonpartisan analysis of tax and budget issues. Visits to our web site reached new heights in 2012, as attention turned to TPC’s analyses of the GOP presidential candidates’ tax plans and other TPC work that helped voters understand the differences among the candidates’ stances on taxes and the economy. During the year, more than 5,000 articles, editorials, and letters to the editor cited TPC’s facts, findings, and expert perspectives.

Highlights

Launching online tax calculators. In addition to the NICC, TPC introduced a marriage bonus and penalty calculator to illustrate how marital status can affect a couple’s tax

burden. We also updated our standard tax calculator to let users examine the effects of four potential outcomes of negotiations over the upcoming fiscal cliff. An enormous amount of media attention drew nearly 85,000 people to try the tax calculator in the first ten days it was live on our web site. To date, users have run more than a half-million simulations on the calculator.

Updating and expanding Tax Topics. TPC updated and expanded our Tax Topics section, which contains pages on a wide range of the nation’s most pressing tax issues. Each page discusses a specific topic and links to related explanatory and analytical publications, distributional and revenue estimates, and background information. Topics covered during 2012 include the president’s annual budget proposals, the fiscal cliff, federal tax expenditures, restructuring the mortgage interest deduction, and tax policy and charities. The Guide to TPC Tables page links to the most useful and most requested tables.

TaxVox: Contributing to the public debate. *TaxVox* communicates quickly and directly with the online

“The Urban-Brookings Tax Policy Center is trying to decrease some of these questions by offering a free tax calculator. It’s a clever tool that helps citizens input their financial and family details and compare hypothetical changes in their tax bills based on four possible fiscal cliff outcomes. Taxpayers can also see ready-made examples to get a sense of the potential effects of the fiscal cliff.”

Patricia Kutza, *Examiner.com*

What the 'fiscal cliff' deal means for me

Use this tool, based on data from the [Tax Policy Center](#), to see how your family will be affected by the 'fiscal cliff' plan — and what would have happened if no deal had been reached.

Select one of six family types to see how taxes will be affected.



A head of household making

\$10,442

\$23,575

\$37,032

\$104,674

\$402,428

with two children under age 13

Under the 'fiscal cliff' deal

Taxes will increase by

\$438

To a lower tax credit of

\$3,101

If no deal was reached

Taxes would have increased by

\$2,438

To a lower tax credit of

\$1,101

The *Washington Post* uses the TPC calculator to demonstrate the effects of the fiscal cliff on the average American on December 4.

community interested in tax and fiscal policy issues and continues to expand its reach. With over 22,000 direct subscribers, *TaxVox's* average daily visits in 2012 were approximately 40 percent higher than the previous year. In addition, *TaxVox* attracts many more readers through partnerships with high-profile web sites operated by major news organizations. *The Christian Science Monitor* (csmonitor.com) and *Forbes.com* repost nearly all *TaxVox* articles. According to the *Christian Science Monitor*, *TaxVox* was their Business page's No. 1 guest blog in 2010, generating the most traffic of any guest blog. In the last quarter of 2012, *TaxVox* received an average of more than 39,000 page views a month. In addition, other major media sites, including CNNMoney.com, periodically republish *TaxVox* posts. Sites

"Can't imagine covering an election without @TaxPolicyCenter to adjudicate. Both campaigns have talking points built on their research."

Greg Ip (*The Economist*) Tweets TPC

such as Real Clear Politics and economic blogs at *The New York Times*, *The Washington Post*, *The Wall Street Journal*, MSNBC.com, and the *American Prospect* often cite *TaxVox*, and *The Wall Street Journal* has named *TaxVox* one of the nation's best economics blogs.

Expanding our reach through social networking. One of TPC's goals is to engage the public in debates about fiscal issues. To reach a broader audience, we continued to use social networking web sites such as Facebook and Twitter. TPC's Twitter followers in 2012 surpassed 8,000.

"The Tax Policy Center is the cool, nonpartisan, analytical yin to Norquist's hot, ideological, activist yang. The center is directed by Donald Marron, a former Bush appointee, and staffed by a who's who of tax wonks who've served in both parties. They produce the best and most respected tax numbers in town, and they're fearless while doing it. . . . Their work has truly been essential over the last year."

Wonkblog Wonky Award, Washington Post

2012 List of Funders

Contributions to TPC help keep our mission intact and ensure excellence and innovation in our work. We are funded largely through grants and contributions and could not exist without your help. TPC recognizes with immense gratitude all those who supported us.

The Urban Institute and the Brookings Institution are both 501(c)(3) nonprofit organizations, which means your gifts are tax deductible. By supporting the Center, you can help inform the debate about America's fiscal future. And thanks to a recent award from the MacArthur Foundation, you can now double the impact of your donation. The Foundation will match every dollar given by new donors with an additional dollar to support the Center's activities.

- Annie E. Casey Foundation
- Alfred P. Sloan Foundation
- Bauman Foundation
- Bipartisan Policy Center
- Charles Stewart Mott Foundation
- Center for American Progress
- CLASP
- College Board
- Committee for a Responsible Federal Budget
- Energy Foundation
- Ewing Marion Kauffman Foundation
- Ford Foundation
- HCM Strategists
- John D. and Catherine T. MacArthur Foundation
- National Academy of Sciences
- Peter G. Peterson Foundation
- Pew Charitable Trusts
- Poppystone Foundation
- Price Family Charitable Fund
- Stoneman Family Foundation
- Anonymous foundation donors
- A number of individual donors, some of whom wish to remain anonymous

If you would like to support the Tax Policy Center, visit us at
<http://taxpolicycenter.org/aboutus/support.cfm>

“The Tax Policy Center, if anything, comprises a gang of raging moderates from both parties who have infuriated ideologues for years by simply telling the truth about the tax system. It has one of the more reliable and unbiased computer models of the nation’s tax system.”

David Firestone, *New York Times*



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