



November 27, 2012

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Dear FreedomWorks member,

As one of our million-plus FreedomWorks members nationwide, I urge you to contact your representatives with a two-part message: “Keep your promise on the sequester savings, and pass a one-year extension of all current tax rates, in order to give Congress time to develop true fundamental tax reforms and genuine entitlement reforms.” Our representatives in Congress must keep their promise on the sequester savings and stop any efforts to raise taxes in this weak economy.

If there is a “fiscal cliff,” our federal government drove off the edge of it about \$10 trillion dollars ago. Now, to avoid certain tax hikes and spending cuts, powerful insiders are negotiating a “bipartisan deal” behind closed doors to give us ... tax hikes and spending cuts. What’s the difference? In the Budget Control Act passed last year, the Washington establishment secured an immediate \$2 trillion increase in its credit card limit, in return for which taxpayers secured a promise of only \$1.2 trillion in cuts spread over ten years. That amount is a pittance—just 2.6 percent—of the \$45 trillion the government is projected to spend over that period. The “Super Committee” which was supposed to identify these \$1.2 trillion in savings failed to reach an agreement. As a result, across-the-board “sequester” savings will go into effect on January 1st.

Some members of Congress are concerned that the sequester’s defense savings are too deep. This is certainly not an excuse to “call the whole sequester off.” Rather, if Congress feels changes are needed, it can easily come up with a new mix of defense and non-defense savings by January 1st; but the overall level of savings is a promise to taxpayers that must be kept.

Bipartisan Washington budget deals typically combine big, immediate tax hikes with minimal, promised spending cuts. Raising marginal tax rates, as Democrats want to do, will slow economic growth and kill jobs. Congress should do as it did after the 2010 elections, and pass an extension of all current tax rates, not just those on people making less than a certain amount. This would afford all parties—and the American people—time to develop true fundamental tax reforms, which, coupled with genuine entitlement reforms, could help start the nation toward a fiscally sustainable path.

With the federal government expecting to face an over \$1 trillion deficit in the upcoming year, we cannot afford to increase spending at the current rate. Congress should not back down on the \$109 billion in sequestration spending restraint scheduled for next year or raise taxes on the American people. Please contact your representatives and tell them: “Keep your promise on the sequester savings, and pass a one-year extension of all current tax rates.”

Sincerely,

Matt Kibbe
President and CEO