TITLE	**“Balanced”**
MEDIA	**TV 0:30**
DATE	**8/2/12**
AD	**BACK-UP**
VO: “The choice on debt…” *Visual:* *The Choice* *On Debt*	
VO: “Mitt Romney’s plan: huge tax cuts for millionaires, tax breaks for oil companies and corporations that ship jobs overseas, adding trillions to the deficit….” *Visual:* *Romney’s Plan* *New tax cut for millionaires* *Tax Policy Center, 8/1/12* *Tax breaks for oil companies* *Romney Town Hall, 4/10/12* *Ship Jobs Overseas* *New York Times, 2/22/12; Reuters, 9/14/11* *Trillions added to deficit* *Center on Budget and Policy Priorities, 5/21/12*	**<u>ROMNEY’S PLAN WOULD GIVE MILLIONAIRES A HUGE TAX BREAK</u>** **Tax Policy Center: If Romney’s Tax Plan Was Paid For, It “Would Provide Large Tax Cuts To High-Income Households, And Increase The Tax Burdens On Middle- And/Or Lower-Income Taxpayers.”** “This paper examines the tradeoffs among three competing goals that are inherent in a revenue neutral income tax reform—maintaining tax revenues, ensuring a progressive tax system, and lowering marginal tax rates. As a motivating example, we estimate the degree to which individual income tax expenditures would have to be limited to achieve revenue neutrality under the individual income tax rates and other features advanced in presidential candidate Mitt Romney’s tax plan, and how the required reductions in tax breaks could change the distribution of the tax burden across households. (We do not score Governor Romney’s plan directly, as certain components of his plan are not specified in sufficient detail, nor do we make assumptions regarding what those components might be.) Our major conclusion is that a revenue-neutral individual income tax change that incorporates the features Governor Romney has proposed – including reducing marginal tax rates substantially, eliminating the individual alternative minimum tax (AMT) and maintaining all tax breaks for saving and investment – would provide large tax cuts to high-income households, and increase the tax burdens on middle- and/or lower-income taxpayers.” [Tax Policy Center, On The Distributional Effects Of Base-Broadening Income Tax Reform, p. 2, 8/1/12] • **Tax Policy Center: If Romney’s Tax Plan Was Paid For, Even When Reducing Deductions To Be “As Progressive As Possible,” It “Would Likely Result In A Net Tax Increase For Lower-And Middle-Income Households And Tax Cuts For High Income Households.”** “Our major conclusion is that a revenue-neutral individual income tax change that incorporates the features Governor Romney has proposed – including reducing marginal tax rates substantially, eliminating the individual alternative minimum tax (AMT) and

maintaining all tax breaks for saving and investment – would provide large tax cuts to high-income households, and increase the tax burdens on middle- and/or lower-income taxpayers. This is true even when we bias our assumptions about which and whose tax expenditures are reduced to make the resulting tax system as progressive as possible. For instance, even when we assume that tax breaks – like the charitable deduction, mortgage interest deduction, and the exclusion for health insurance – are completely eliminated for higher-income households first, and only then reduced as necessary for other households to achieve overall revenue-neutrality– the net effect of the plan would be a tax cut for high-income households coupled with a tax increase for middle-income households. In addition, we also assess whether these results hold if we assume that revenue reductions are partially offset by higher economic growth. Although reasonable models would show that these tax changes would have little effect on growth, we show that even with implausibly large growth effects, revenue neutrality would still require large reductions in tax expenditures and would likely result in a net tax increase for lower- and middle-income households and tax cuts for high income households." [Tax Policy Center, On The Distributional Effects Of Base-Broadening Income Tax Reform, p. 2, 8/1/12]

- **If Romney's Tax Plan Was Paid For, The Top 0.1% Would Receive An Average Tax Cut Of $246,652.** [Tax Policy Center, On The Distributional Effects Of Base-Broadening Income Tax Reform, p. 19, 8/1/12]

ROMNEY WOULD MAINTAIN BILLIONS IN TAX BREAKS FOR OIL COMPANIES

Romney Claimed Obama Blamed Him For High Gas Prices, "Because I Don't Want To Raise Taxes On Oil Companies" And Said Obama Just "Tries To Find Some Group Of Americans That Other Americans May Not Like A Lot, Or May Not Trust A Lot" And "He Says, 'Let's Tax Them. It Is Their Fault.'" Romney said, "This president – he has an ad out, it's very interesting. You may not have seen it. He has an ad out, talking about how production – oil production has risen during his presidency. Not thanks to him, of course. Thanks to the decisions of the prior president. And then he blames someone for the high price of gasoline. Guess who he blames? He's very good at blaming, by the way. It's a characteristic of this administration. He blames me, alright, for the high prices of gasoline – because I don't want to raise taxes on oil companies. I don't like raising taxes on anybody! See, this president goes around and tries to find some group of Americans that other Americans may not like a lot, or may not trust a lot. And then he says, 'Let's tax them. It

	is their fault.' This blame, this populism of going to try to divide America, is not only wrong, it's dangerous. We are one nation under God and united we will stand and lead." [Romney Town Hall (Wilmington, DE), 4/10/12] **Romney Policy Director Claimed President Obama Proposed "A $4 Billion Tax Increase For Oil And Gas Companies" Which Would Primarily Burden Smaller U.S.-Based Oil And Gas Companies.** Romney Campaign Memo from Policy Director Lanhee Chen: "He has also proposed a $4 billion tax increase for oil and gas companies. (Although, at some point he may discover that the primary burden of his tax hike will not be on multinational giants with 'tens of billions of dollars' in profits, but rather on the smaller, U.S.-based companies that are working to increase our domestic production, as well as on the consumers who will see prices increase.)" [Romney For President, 3/4/12] • **President Obama Has Called For An "End to $4 Billion In Tax Subsidies" For Big Oil.** From A CBS News article titled: "Obama: End tax breaks for big oil": "President Barack Obama says Americans are getting hit twice — once at the gas pump, and once more by sending billions of dollars in tax subsidies to oil companies. Flanked by dozens of invited guests in the Rose Garden, Obama is again seeking to pressure Congress to end $4 billion in tax subsidies. He says oil companies are pulling in record profits and shouldn't get taxpayer help when that money could be used on alternative energy." [CBS News, 3/29/12] **Romney's Claim That Eliminating Oil Subsidies Was "Dangerous" And A Tax Increase Contradicted Romney's Proposal To Pay For Tax Cuts By Eliminating Tax Expenditures.** "Romney opposes President Obama's proposal to eliminate billions of dollars worth of subsidies for oil companies in the tax code. Romney justifies this by saying he is against all tax increases and that it is 'dangerous' to single out one industry for losing its special favors. This, of course, blatantly contradicts Romney's own proposals, and Rep. Paul Ryan's (R-WI) budget, both of which claim to be revenue neutral by slashing tax rates but paying for it by eliminating tax expenditures. Romney and Ryan don't specify which tax expenditures they will eliminate, although Romney recently suggested the mortgage interest deduction for second homes might be one. By his logic, he was calling for a 'dangerous' tax increase then." [The Nation, 4/26/12] **ROMNEY'S TAX PLAN WOULD ENCOURAGE COMPANIES TO INVEST OVERSEAS** **Romney Economic Policy Adviser Glenn Hubbard "Said Mr. Romney Would Propose Shifting To A Territorial System That Would Not Tax Corporate Income Earned Overseas."** [New York Times, 2/22/12]

	• **Romney Corporate Tax Plan: "Switch To A Territorial Tax System."** From Romney campaign press release on Romney's tax plan: "Switch To A Territorial Tax System. The United States taxes income on a worldwide basis, regardless of where it is earned. This worldwide system of taxation sets the U.S. apart from most other OECD countries, which have converted to territorial systems of taxation. Japan and the United Kingdom are two countries that recently traded their worldwide tax systems for territorial systems." [Romney For President, 2/22/12] **Reuters: "A Territorial System Would Prompt U.S. Companies To Shift Offshore Even More Income Than They Already Do And Jobs Would Follow, Worsening Unemployment And The Economy, Critics Say."** [Reuters, 9/14/11] • **Romney's Support For A Territorial Tax System "Would Allow Firms Such As Cisco And Oracle To Largely Avoid Having Foreign Income Taxed By The United States."** "In his economic agenda, the Romney campaign calls the U.S.'s current 'worldwide' tax system a 'deeply irrational system' that encourages companies to park billions of dollars in profits overseas. Romney's plan lays out a strategy for transitioning to a territorial tax system, which would allow firms such as Cisco and Oracle to largely avoid having foreign income taxed by the United States." [Politico, 4/22/12] **Citizens For Tax Justice: "Giving Corporations A Permanent Tax Exemption For Their Purported Offshore Profits Will Make Things Much Worse."** 'Giving corporations a permanent tax exemption for their purported offshore profits will make things much worse. The only real solution is for Congress to do the opposite' and repeal foreign income deferral, said Bob McIntyre, director of Citizens for Tax Justice, a left-leaning tax watchdog group." [Reuters, 9/14/11] **Economist Kim Clausing: A Territorial Tax System "Would Significantly Exacerbate Incentives For U.S. Firms To Move Economic Activity Abroad."** "Many U.S. multinational corporations and their political allies are pushing a different approach. They would move the U.S. to a 'territorial system' in which the foreign income of U.S. multinational corporations is completely exempt from U.S. taxation. This approach would significantly exacerbate incentives for U.S. firms to move economic activity abroad. U.S. tax payments for the income from foreign operations of U.S. multinational corporations would not simply be deferred; they would be completely erased." [Kimberly A. Clausing, Reed College Economics Professor – "A Territorial Tax Plan Could Make a Bad Situation Worse," 6/24/12]

	• **Economist Kim Clausing: A Territorial Tax System Would "Provide New Tax Breaks" To Companies That Avoid U.S. Taxes.** "What would be the effects if the U.S. shifts to a 'pure' territorial system? …The very real problems in the current U.S. system for taxing multinational corporations should not become an excuse to provide new tax breaks to multinational firms that are already adept at avoiding U.S. tax. Given the sacrifices that will be required to achieve a sustainable path of budget deficits, U.S. multinational firms need to pay their fair share." [Kimberly A. Clausing, Reed College Economics Professor – "A Territorial Tax Plan Could Make a Bad Situation Worse," 6/24/12] **Economist Kim Clausing: A Territorial Tax System "Would Encourage Job Creation Abroad Instead Of At Home."** "What would be the effects if the U.S. shifts to a 'pure' territorial system? First, it would eviscerate the U.S. corporate tax base by eliminating any constraints to shifting income abroad. Second, it would encourage job creation abroad instead of at home." [Kimberly A. Clausing, Reed College Economics Professor – "A Territorial Tax Plan Could Make a Bad Situation Worse," 6/24/12] • **Economist Kim Clausing: A Territorial Tax System Would Incentivize Locating Jobs In Low-Tax Countries And Away From The U.S. – Possibly As Many As 800,000 Jobs.** "What would be the effects if the U.S. shifts to a 'pure' territorial system? …Based on my research and that of other experts in international taxation, it is possible to estimate how many jobs are at stake in this debate. In 2008, U.S. multinational firms employed 10 million workers in affiliated firms abroad. Under a pure territorial tax system, the tax incentive to locate jobs in low-tax countries would increase significantly, and I calculate that this would increase employment in low-tax countries by about 800,000 jobs. If current U.S. unemployment rates were low, jobs abroad need not displace jobs at home, although the composition of jobs may change, and multinational corporation jobs are often good, high-wage jobs. In the present economy, however, these new low-tax country jobs are likely to displace jobs at home. With high unemployment rates, why further tilt the playing field in favor of jobs in low-tax countries?" [Kimberly A. Clausing, Reed College Economics Professor – "A Territorial Tax Plan Could Make a Bad Situation Worse," 6/24/12] **ROMNEY'S PLAN WOULD ADD TRILLIONS TO THE DEFICIT** **Center On Budget And Policy Priorities: Romney's New Tax Cuts Would Cost $4.9 Trillion Over A Decade, On Top Of The Cost Of Extending The Bush Tax Cuts.** "The Tax Policy Center estimates that the

	Romney tax plan would lose about $480 billion in tax revenue in calendar year 2015, beyond the revenues losses inherent in maintaining current policy (such as continuing all of the 2001 and 2003 Bush tax cuts). Over the 2014-2022 period, that implies a total reduction in revenues of about $4.9 trillion, relative to current tax policy." [Center on Budget and Policy Priorities, 5/21/12] **Headline: "Defense Spending To Spike $2.1 Trillion Under Romney"** [CNN, 5/10/12] • **Center For A New American Security's Travis Sharp: Romney's Plan, Compared To Current Pentagon Budget, Would Lead To A $2.1 Trillion Increase In Spending Over The Next Ten Years, Assuming A Gradual Increase To 4% Of GDP.** "Romney's plan calls for linking the Pentagon's base budget to Gross Domestic Product, and allowing the military to spend at least $4 dollars out of every $100 the American economy produces. … The additional spending really piles up in future years. Compared to the Pentagon's current budget, Romney's plan would lead to $2.1 trillion in additional spending over the next ten years, according to an analysis conducted for CNNMoney by Travis Sharp, a budget expert at the Center for a New American Security. And that number assumes a gradual increase to 4% of GDP." [CNN, 5/10/12] • **Center For A New American Security's Travis Sharp: Romney's Plan, Compared To Current Pentagon Budget, Would Lead To A $2.3 Trillion Increase In Spending Over The Next Ten Years, Assuming An Immediate Increase To 4% Of GDP.** "Romney's plan calls for linking the Pentagon's base budget to Gross Domestic Product, and allowing the military to spend at least $4 dollars out of every $100 the American economy produces. … The additional spending really piles up in future years. Compared to the Pentagon's current budget, Romney's plan would lead to $2.1 trillion in additional spending over the next ten years, according to an analysis conducted for CNNMoney by Travis Sharp, a budget expert at the Center for a New American Security. And that number assumes a gradual increase to 4% of GDP. The additional spending would hit $2.3 trillion over a decade if the Pentagon's budget were to immediately jump to 4% of GDP." [CNN, 5/10/12] • **Doyle McManus: Romney "Wants To Increase Defense Spending Massively — By More Than 50% Over Current Levels, According To One Estimate" Which Could Equal $2 Trillion In Additional Military Spending Over 10 Years."** "Mitt Romney, by contrast, wants to increase defense spending massively — by more than 50% over current levels, according to one estimate. That

	could mean almost $2 trillion in additional military spending over 10 years." [Doyle McManus Op-Ed, LA Times, 6/24/12]
VO: "President Obama's plan: a balanced approach that asks the wealthy to pay a little more, eliminates tax breaks for outsourcing and oil subsidies, cuts government spending, and reduces the deficit by four trillion." *Visual:* *The President's Plan* *Wealthy pay more* *Eliminate tax breaks for outsourcing* *Eliminate tax breaks for oil subsidies* *$3 trillion in spending cuts* *$4 trillion in deficit reduction* *BarackObama.com/Plans*	**PRESIDENT OBAMA'S BALANCED PLAN ENDS THE BUSH TAX CUTS FOR FAMILIES MAKING MORE THAN $250,000 A YEAR AND ELIMINATES OIL SUBSIDIES, WHILE EXTENDING MIDDLE CLASS TAX CUTS** **President Obama Proposed Eliminating Special Tax Breaks And Loopholes For Oil And Gas Companies And The Very Wealthy, As Well As Ending The Bush Tax Cuts For Families Making More Than $250,000 A Year.** "In the Budget, I reiterate my opposition to permanently extending the Bush tax cuts for families making more than $250,000 a year and my opposition to a more generous estate tax than we had in 2009 benefiting only the very largest estates. These policies were unfair and unaffordable when they were passed, and they remain so today. I will push for their expiration in the coming year. I also propose to eliminate special tax breaks for oil and gas companies; preferred treatment for the purchase of corporate jets; tax rules that give a larger percentage deduction to the wealthiest two percent than to middle-class families for itemized deductions; and a loophole that allows some of the wealthiest money managers in the country to pay only 15 percent tax on the millions of dollars they earn. And I support tax reform that observes the "Buffett Rule" that no household making more than $1 million annually should pay a smaller share of its income taxes than middle-class families pay." [FY2013 Budget Message Of The President, February 2012] • **President Obama Proposed Extending Middle Class Tax Cuts For The 98 Percent Of Families Making Less Than $250,000.** "Under the President's proposal, the 98 percent of American families with incomes of less than $250,000 per year would continue to benefit in full from the income tax cuts expiring at the end of 2012, including: The doubling of the Child Tax Credit to $1,000 per child, and the extension of the credit to millions of working families that previously could not benefit from it. The 10 percent tax bracket, which will provide middle class couples with a tax cut of up to $890 next year. Marriage penalty relief, which reduces or eliminates marriage penalties for nearly 38 million couples. Lower tax rates on up to $250,000 of income ($200,000 for single filers) In addition, the President's proposal would reinstate the $7 million per-couple estate tax exemption, which exempts all but the wealthiest 3 in 1,000 decedents from tax. The President's proposal and legislation introduced by Congressional Democrats would provide certainty for the 114 million middle class families whose taxes will go up on January 1 if

	Congress does not act." [White House National Economic Council, July 2012] • **President Obama Proposed $1.5 Trillion In Tax Revenue From The Very Wealthy And From Closing Some Corporate Tax Breaks, As Well As Reductions In Spending For A Range Of Programs.** "In his budget Mr. Obama again will commit to $4 trillion in deficit reduction over 10 years, including $1.5 trillion in tax revenue from the wealthy and from closing some corporate tax breaks, and reductions in spending for a range of programs, including the military, Medicare, farm subsidies and federal pensions." [New York Times, 2/12/12] **THE PRESIDENT'S TAX FRAMEWORK REMOVES INCENTIVES TO INVEST OVERSEAS AND CREATES A NEW TAX CREDIT FOR BRINGING JOBS HOME** **President Obama's Tax Reform Framework Removes Tax Deductions For Moving Production Overseas And Provides New Incentives For Bringing Production Back To The United States.** "Remove tax deductions for moving productions overseas and provide new incentives for bringing production back to the United States. The tax code currently allows companies moving operations overseas to deduct their moving expenses—and reduce their taxes in the United States as a result. The President is proposing that companies will no longer be allowed to claim tax deductions for moving their operations abroad. At the same time, to help bring jobs home, the President is proposing to give a 20 percent income tax credit for the expenses of moving operations back into the United States." [The President's Framework For Tax Reform, February 2012] **PRESIDENT OBAMA WOULD TAKE A BALANCED APPROACH TO DEFICIT REDUCTION, PUTTING FORTH $3 TRILLION IN SPENDING CUTS AND MORE THAN $4 TRILLION IN OVERALL DEFICIT REDUCTION** **The President's Plan Would Cut Spending By More Than $3 Trillion And Reduce The Deficit By More Than $4 Trillion Over The Next Decade**. According to the Office of Management and Budget's mid-session review, enacted outlay reductions and MSR spending proposals would reduce the deficit by $3.047 trillion over 2012-2021 and by $3.625 over 2013-2022. Under the President's proposals, total deficit reduction would total $4.247 trillion over 2012-2021 and $5.098 over 2013-2022. [Fiscal Year 2013 Mid-Session Review, Budget Of The U.S. Government, Summary Table S-3, July 2012] **Center On Budget And Policy Priorities: President Obama's Budget Would Stabilize The Debt Over The**

	Coming Decade Through "A Balanced Combination Of Spending Cuts And Revenue Increases." "If Congress enacted the Obama budget in full *and* its economic assumptions proved correct, the debt would stabilize over the coming decade although, as the White House acknowledges, policymakers would have to subsequently enact significant further deficit reduction to keep the debt stable in future decades. The budget either achieves or approaches this key fiscal target for the coming decade with several trillion dollars in deficit reduction, through a balanced combination of spending cuts and revenue increases." [Center On Budget And Policy Priorities, 2/16/12]
VO: "Two plans. Your choice." *Visual:* *Two plans.* *Your choice.* *Learn more at* *BarackObama.com/plans*	
VO: "I'm Barack Obama and I approved this message." *Visual:* *Approved by Barack Obama. Paid for by Obama for President.*	