



Media Reality ✓ Check

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Operation ATM (Audit the Media): Media Ignore Free Market Perspective In Coverage of Bush Tax Plan

Shocked by Plan to Cut Taxes for Taxpayers

Conservatives recognize that heavy taxes are a drag on economic activity. Thus, the stimulus plan President Bush proposed yesterday is designed to lower tax penalties on working, saving and investing in order to boost overall economic growth. Changing tax incentives in order to stimulate more economic activity will lead to more enriching opportunities for workers at all income levels.

Yet the liberal media relentlessly portray tax cuts as if they were just another government spending program, with politicians handing out the “benefits” of tax cuts as if they were food stamps. Despite heavy coverage of both Bush’s tax cut plan and a Democratic alternative, network reporters seemed uninterested in exploring the changes in economic activity that can be expected. And while reporters repeatedly pressed the point that income tax cuts benefit “the wealthy,” nearly all omitted the fact that the income tax burden is not shared throughout society, but is borne by a relatively small percentage of workers.

The media’s anti-tax cut campaign was underway even before Bush’s speech. On Monday’s *CBS Evening News*, Byron Pitts highlighted a middle class taxpayer’s grouching that the plan “is sort of like a box of chocolates...I’ll take my \$400 and then it’ll be gone. It’s not a lasting gift.” Pitts’ only other source: an accountant who proclaimed, “If you were to summarize this tax proposal as we see it today, the winners are the wealthy.” Pitts failed to disclose that the accountant, Avery Neumark, is a longtime contributor to liberal pols like New York Congressman Jerrold Nadler as well as the Democratic National Committee.

On Tuesday’s *Early Show* on CBS, co-anchor Harry Smith challenged Commerce Secretary Don Evans: “By one calculation, the wealthiest one percent of taxpayers would get 47 percent of the benefit. How would that stimulate the economy?” Meanwhile on ABC’s *Good Morning America*, Diane Sawyer had a similar lecture for Senator Bill Frist: “They say that somebody in this country who is making a million dollars or more is going to benefit \$29,000 from the President’s tax plan, but if you’re making \$30,000 to \$40,000 a year, which the average American [makes],

you’re only going to get \$42, and there will not be rejoicing in America by all of these middle class taxpayers for \$42.”

After Bush spoke later that day, CNN’s Judy Woodruff presented more accurate figures than Sawyer. Yet while she acknowledged on *Inside Politics* that middle class workers would get a big tax break, she still insisted the cuts favored fat cats: “People making \$40,000 or \$50,000, they’re going to get about \$1,000 or so a year. But people who earn hundreds of thousands of dollars a year are going to get \$20,000 or \$25,000. In other words, the benefits skew much more to the wealthy.”

On Tuesday’s *World News Tonight*, ABC’s Peter Jennings framed the issue exactly as had Tom Daschle: “Mr. Bush’s plan has unleashed a very political debate about whether it will stimulate the economy or just further enrich the wealthy.” Zeroing in on the elimination of the double-taxation of dividends, Jennings asked himself, “How much is this going to cost the government? \$25 billion in 2003, \$280 billion over the next decade — money which,” he helpfully suggested, “could be spent in other ways.”

Only NBC’s Campbell Brown hinted that a small percentage of Americans pay for a huge percentage of government’s costs. “Most savings would go to the richest Americans, who pay more in taxes,” she announced on Tuesday’s *Nightly News*. Indeed, an analysis prepared by the Tax Foundation using IRS data shows that just the top five percent of taxpayers paid 56.5 percent of all income taxes in 2000, or about \$554 billion. To make it into the top half of all taxpayers that year, you had to earn only \$27,682, but that group paid nearly all of the nation’s income taxes (see box). For all the hand-wringing over how the rich will benefit from lower tax rates, there’s been very little reporting about the heavy taxes “the rich” already pay. — *Rich Noyes*

Nearly All Income Taxes Paid by Only Half of U.S. Taxpayers	
Top Half	Bottom Half
Earn More than \$27,682/year	Earn Less than \$27,682/year
Pay 96.1% of Income Taxes	Pay 3.9% of Income Taxes

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