Update on Sequestration and the Budget Deal
The Budget Deal

American Taxpayers Relief Act (ATRA)

- Sequestration postponed to March 1st
- One-year payment patch for Medicare physicians
- Unemployment benefits extended for a year
- Farm bill extended for a year

- Payroll tax holiday ended
- Most of 2001/ 2003/ 2010 tax cuts extended
Tax Rates Changes

- **Tax credits for low and middle income families extended for 5 years**

- **Tax rate for income above $400,000/$450,000 increases to 39.6%**

- **Tax rate on capital gains and dividends increases from 15% to 20%**

- **Estate tax rate increases from 35% to 40% for estates valued over $5m ($10m for married couples)**
What’s next?

What’s happening in March 2013

• Sequestration and fiscal cliff...again!

• We reach the debt ceiling...again!

• Continuing resolutions keeping the country running expire...again!!!
Sequestration and Debt Ceiling

- “We are done raising revenues” - Republicans
- Republicans refuse to increase debt ceiling
- “We are not a deadbeat nation” - Pres. Obama