

TEF NEWS RELEASE

Taxpayer Education Foundation

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MASSIVE CORONAVIRUS STIMULUS PACKAGE A HIDDEN TAX INCREASE

The gigantic Coronavirus Aid, Relief, and Economic Security Act (CARES) may or may not help the struggling U.S. economy, but it is a long-term hidden tax increase in the form of inflation, according to James L. Tobin, economist and president of Taxpayer Education Foundation (TEF).

The act provides an estimated \$2 trillion stimulus package to battle the harmful effects of the COVID-19 pandemic. Some of the features:

- Creates a \$150 billion Coronavirus Relief Fund for state, local and tribal governments.
- \$30 billion for an Education Stabilization Fund.
- \$45 billion for the Disaster Relief Fund.
- \$25 billion for transit systems.
- \$500 billion lending fund for businesses, cities and states.

(Source: <https://www.ncsl.org/ncsl-in-dc/publications-and-resources/coronavirus-stimulus-bill-states.aspx>)

“One can debate the necessity of this stimulus package, but there is no debate that it will be paid for by taxpayers over the next few years without their knowledge.”

“Taxpayers should be aware that creating money out of thin air cheapens the dollar and causes inflation, and inflation is a stealth tax, which is why Washington politicians love it. Creating money from nothing makes it relatively easy to finance wars, and pork.”

“Money is not free. Taxpayers always pay for its use in the end.”