



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## Major Ways the Republican Tax Act Scams American Families So the Rich Can Get Richer

The Republican tax act signed into law on December 22, 2017 is not just a huge giveaway to the wealthy – it is a scam perpetrated by the GOP on millions of American families.

- 1. Raises taxes on millions of middle-class families** — Analysis by the nonpartisan Tax Policy Center indicates that 9 million middle-class families will face tax increases *this year*, and almost 90 million more will in ten years (2027).
- 2. Benefits the rich at the cost of middle-class families** – The aggregate tax cut going to the top one percent – those earning \$912,000 a year or more – will be *five times larger* in 2027 than the entire tax cut for the 180 million households earning less than that amount in that year.
- 3. Huge giveaway to those earning at least \$5 million a year** – More than *half* of the tax cut goes to the households in just the top one-tenth of one percent, who make *at least* \$5 million a year, in ten years.
- 4. Hurts lower-income families** – More than 120 million families earning less than \$75,000 a year face a tax increase in the aggregate in ten years.
- 5. Corporations get permanent tax cuts, families get question marks** — Corporations get permanent tax cuts worth hundreds of billions of dollars, while tax cuts for families *disappear* after eight years.

The core of this act is a massive tax cut for corporations, but that is not the only way that the wealthy win big. Here are some of the ways the rich get even richer:

- 6. Massive tax cuts for corporations** — Wealthy corporations get an immediate, massive tax cut, which results in billions more for wealthy shareholders and rich executives.
- 7. Rich estates do great** — The 5,500 multimillion-dollar estates which should pay the estate tax get a huge tax cut.
- 8. Massive new tax loophole for passthroughs** — Wealthy passthrough owners get tax cuts worth more than \$400 billion from the 20 percent deduction of their passthrough income.
- 9. Millionaires still win big through individual income taxes** — By reducing the top tax rate and raising the top income tax bracket by 27 percent, millionaires get a huge cut in individual taxes.
- 10. Protects tax loophole for hedge fund managers**— By protecting the carried interest loophole, many of Wall Street's wealthiest money managers will continue paying a lower tax rate than middle-class families.

**This is just step one of their three-step plan to give to the rich and make American families pay for it:**

- **Step 1:** ✓ *Done*. Republicans have pushed their tax cuts for the rich, making claims unsupported by mainstream economists that economic growth will pay for them.
- **Step 2:** *In Progress*. Republicans are raising concerns about the deficit again and suggesting spending cuts are needed.
- **Step 3:** *Planned*. Cut important benefits for American families, like Medicare, Social Security, and education assistance, while doing nothing to make millionaires pay their fair share.