



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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October 2, 2017

## Republican Tax Plan: Tax Cuts for the Rich, Paid for by Everyone Else

This budget's primary purpose is to provide reconciliation instructions for tax reform, but the Republican plan is not tax reform – it is a \$2.4 trillion tax cut for the wealthy at the expense of everyone else. The inequities are startling. Under this plan, a family making \$50,000 a year could be subject to a tax increase, while millionaires get a \$230,000 tax break.

**This is step one of the GOP's three steps to giving to the rich and making American families pay for it**

Republicans are trying to take away critical investments and benefits in a deceitful three-step process:

- **Step 1:** Cut taxes for the rich, and claim that economic growth will pay for it.
- **Step 2:** Pretend to be shocked when the deficit explodes; insist that the only way to fix it is through more spending cuts.
- **Step 3:** Cut important benefits for American families, like Medicare, Social Security, and education assistance, while doing nothing to make millionaires pay their fair share.

**Gives a massive tax cut to millionaires** — Millionaires get an average tax cut of \$230,000 each year, once the plan is fully phased in 2027. This is more than 75 percent of all the tax cuts in the plan. Households earning less than \$100,000 are not even getting 10 percent of the total benefit.

**Middle class pays for the tax cuts for big corporations, wealthy partnerships, and rich estates** —

Individual income taxes actually *go up* by \$471 billion, while big corporations, wealthy passthroughs, and rich estates get their taxes cut by \$2.9 trillion.

**Don't be fooled – this is not a tax cut for the middle class** — While the wealthy are front and center in this tax cut, middle-class families are an afterthought. For every provision in the Republican plan which might help the middle class, Republicans take away other middle-class tax benefits, and many see their taxes go up. By 2027, nearly 30 percent of households earning \$50k to \$150k would see a tax increase, and 45 percent of all households with children face a tax increase.

**It leads to trillions of dollars in more debt** — The plan would add \$2.4 trillion to the debt in the first ten years, and trillions more after that. For years, Republicans have been saying that they have to cut programs like Medicare and education because of the deficit, but now that they plan to pass a tax bill, trillion-dollar deficits no longer matter.

**Claims on economic growth are repeatedly proven false** — A massive tax cut for the wealthy will not grow the economy, will not create jobs, and will not raise wages for the middle class. History proves it: trickle-down economics failed in the 1980s, it failed under President George W. Bush, and it just failed spectacularly in Kansas.

**We need bipartisan tax reform, not partisan tax cuts** — Republicans plan to use reconciliation so that they can give a tax cut to the rich without any Democratic votes. But this resolution's estimates and reconciliation instructions omit the plan's gigantic deficit increases and ignore the challenges facing hard-working American families. This is not tax reform. Democrats are ready to do *real* tax reform that benefits hard-working American families.