



# COMMITTEE ON THE BUDGET

Chairman John Yarmuth

April 15, 2019

## The First Tax Filing Season Under the GOP Tax Law Shows the Rich and Big Corporations Benefitted the Most

As Americans file federal income taxes for the first tax year under the Republicans' 2017 tax law, working families and Main Street small businesses are once again being reminded of the law's broken promises. The tax law left most working Americans behind while showering benefits on the wealthy and large corporations. It resulted in plummeting corporate tax revenues and weakened our ability to address looming budgetary challenges arising from the aging of the U.S. population and rising health care costs.

Instead of giveaways to the rich, we need fiscally responsible tax policies that put middle-class families and those working to climb into the middle class first, and make sure the wealthiest Americans and corporations pay their fair share.

### Corporate Profits Soared while Working Americans Saw Little Tax Savings

- [60](#) of America's biggest corporations paid *zero* federal income taxes on their \$79 billion of U.S. profits in 2018 and instead received a net tax *rebate* of \$4 billion. This is [twice](#) as many companies paying no taxes as before the GOP tax law.
- Corporate profits soared by [16.2](#) percent, rising from \$1.75 trillion in 2017 to \$2.03 trillion in 2018.
- The tax law did not have a meaningful impact on the vast majority of Americans—only [17](#) percent believe they got a tax cut.
- Small businesses [saw](#) disappointing tax savings, higher prep fees, and mass confusion.

### Corporate Tax Revenues Collapsed and the National Debt Exploded

- Corporate tax revenues collapsed in 2018—the first year of the GOP tax law—falling by nearly one-third, or by [\\$92](#) billion, from 2017.
- The federal deficit jumped to [\\$779](#) billion in 2018, a nearly 17 percent or \$113 billion increase from 2017, largely due to the GOP tax law.
- Federal revenues were historically low in 2018 at [16.4](#) percent of the economy, a full percentage point below the 50-year average of 17.4 percent.
- The tax cut will worsen deficits and add [\\$1.9](#) trillion to the national debt over 10 years, even after accounting for any economic growth effects.

*This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.*