



## DON'T BE FOOLED BY TRUMP'S "ALTERNATIVE TAX FACTS"

When he addresses a joint session of Congress February 28, President Trump will likely make claims about his tax plan that do not match reality. Following are "alternative facts" Trump has offered in the past, paired with the real facts.

### ***Eight claims you're likely to hear Tuesday night:***

- 1. TRUMP:** "[T]he **tax relief will be concentrated on the working and middle class taxpayer**. They will receive the biggest benefit – it won't even be close." [Trump speech, 9/15/16]  
**REALITY:** Trump's tax plan is actually a massive [\\$6 trillion giveaway](#) mostly to the rich and corporations. Nearly half the tax breaks go to the top 1%. Millionaires and billionaires like Trump would get a \$1.1 million tax cut each year. Someone making \$50,000 would get a tax cut of just \$400. Nearly [nine million middle-class families](#) with children would face higher taxes.
- 2. TRUMP:** "One of our greatest **job creation measures is going to be our 15% business tax rate** – down from the current 35% rate, a reduction of more than 40 percent. An explosion of new business and new jobs will be created." [Trump speech, 9/15/16]  
**REALITY:** Trump's massive corporate tax rate cut (it's nearly 60%, not 40%) will do little to spur investment or create jobs. The increased profits from tax cuts will simply [pad the pockets of CEOs and rich shareholders](#), not trickle down to workers. The problem isn't that corporations pay too much in taxes—they pay too little. If they paid their fair share we could create millions of good-paying jobs rebuilding infrastructure, hiring more teachers, making college affordable, providing health care and researching new energy sources. A dollar cut in corporate income taxes [adds only 32 cents to the economy](#) (GDP), while a dollar spent on infrastructure boosts GDP by \$1.44—four times as much. We need an economy that works for everyone, not just those at the top.
- 3. TRUMP:** "[W]e will **bring back trillions in business wealth parked overseas and tax it at a 10% rate**. Some people say there are \$2 trillion overseas. ... By taxing it at 10% instead of 35%, all of this money will come back into our country. ... We will turn America into a magnet for new jobs." [Trump speech, 9/15/16]  
**REALITY:** Big U.S. corporations have \$2.5 trillion in untaxed profits offshore. Most are in tax havens where corporations pay little if any taxes. [Corporations owe \\$700 billion in U.S. taxes](#) on those profits. But Trump proposes to give them a tax holiday, letting them pay just \$150 billion—a \$550 billion tax break. In 2004, the last time Congress provided a similar tax giveaway, [corporations cut tens of thousands of jobs](#) and [90 cents of every dollar in profits](#) brought home went to rich shareholders through stock buybacks and dividend payouts. Taxpayers and workers were left holding the bag. Imagine how many good jobs we could create with \$700 billion.

4. **TRUMP:** *“There will be no cuts to **Social Security, Medicare & Medicaid.**”* [[Tweet](#), @realdonaldtrump, 5/7/15]  
**REALITY:** By blowing a \$6 trillion hole in the federal budget, Trump’s tax giveaway substantially increases the risk of cuts to all three programs. It certainly means other public services and investments working families rely on will be slashed—from roads to schools to medical research. Trump’s Republican allies in Congress are already planning a huge [cut to Medicaid](#).
5. **TRUMP:** *“[N]o family will have to **pay the [estate] tax.** American workers have paid taxes their whole lives, and they should not be taxed again at death – it’s just plain wrong. We will repeal it.”* [[Trump speech](#), 8/8/16]  
**REALITY:** Eliminating estate and gift taxes is a \$174 billion tax giveaway that boosts the inheritances of millionaires and billionaires. Repeal could give Trump’s family alone a tax break worth billions. The federal estate tax is only paid by [estates worth at least \\$5.5 million](#)—the richest 1 of every 500 estates. It’s a small curb on the accumulation of dynastic wealth and a key tool in reducing economic inequality.
6. **TRUMP:** *“[W]e will eliminate the **Carried Interest Deduction** and other special interest loopholes that have been so good for Wall Street investors, and people like me, but unfair to American workers.”* [[Trump speech](#), 8/8/16]  
**REALITY:** Trump’s tax plan would [sharply lower taxes](#) on Wall Street wheeler-dealers, big law firm partners, real estate moguls like Trump and other big earners. That’s because Trump would reduce the tax rate on so-called “pass through” income—the type many of these millionaires and billionaires receive—by almost two-thirds, from 40% to just 15%. Trump’s income is derived from [500 of these businesses](#) that would receive this huge tax giveaway.
7. **TRUMP:** *“One of my first acts as President will be to **repeal and replace disastrous Obamacare,** saving another 2 million American jobs.”* ([Trump speech](#), 8/8/16)  
**REALITY:** Besides [depriving 30 million Americans of health care](#), repealing Obamacare could [destroy 3 million jobs](#). The big winners would be wealthy people like Trump and big health care corporations, especially insurance companies, who would [get a tax cut of \\$600 billion](#). That’s because Obamacare is largely funded by requiring the rich and corporations to pay a fairer share of taxes—as it should be.
8. **TRUMP:** *“We’re going to **rebuild our infrastructure,** which will become, by the way, second to none.”* ([Trump speech](#), 11/8/16)  
**REALITY:** Trump [hasn’t said much about infrastructure](#) since his election. But the closest thing to a proposal he’s released is not a serious plan to rebuild our nation’s crumbling roads, bridges, schools and water systems. It is instead a [huge tax giveaway to Wall Street investors](#) that would privatize some essential services and ignore others, saddling working Americans with high tolls and fees even as vital public investments continue to deteriorate.

**AND ONE CLAIM YOU WON’T HEAR:**

**TRUMP:** *“Tonight, I’m **releasing my tax returns** from the past three years. This will allow the American people to see whether and how much I’ve paid in taxes; what personal financial interests I have that may conflict with my official duties as President; and how I would personally benefit from my tax plan.”*

**REALITY:** Trump will keep hiding his tax returns until the American people force disclosure.