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TRUMP'S TAX PLAN PROVIDES A FAKE TAX CUT FOR SMALL BUSINESSES BUT CREATES A "TRUMP LOOPHOLE" FOR HIMSELF

Trump's 15% Business Tax Rate Will Benefit Hedge Fund Managers, Lawyers, and the Trump Family

(WASHINGTON, D.C.) Today, President Trump will make a [sales-pitch](#) for his tax plan at a White House event with small business owners that is really fake.

Here's the cold hard truth: Trump's proposed 15% business tax rate on pass-throughs, slashed down from 39.6%, will help few small business owners (unless "small business" is considered a hedge fund, perhaps). It will create a special "Trump Loophole" for businesses like the Trump Organizations, which is comprised of 500 pass-through entities.

STATEMENTS from AMERICANS FOR TAX FAIRNESS and MAIN STREET ALLIANCE on TRUMP SMALL BUSINESS MEETING:

"Trump's proposed 15% business tax rate is a fake small business tax cut because very few would benefit. Instead, it's a massive tax giveaway for Wall Street hedge fund managers, big law firms, and real estate developers like Trump. It would only cut taxes for 7% of business owners – most of them wealthy. This self-serving proposal would allow billionaires like Trump to pay the same low 15% tax rate as a small-business owner making \$60,000. It's \$2 trillion cost would ultimately lead to cuts in services vital to Main Street. How does that help Mom and Pop?" -- Frank Clemente, Executive Director, Americans for Tax Fairness

"The Republican tax proposals would cut \$5 trillion from the budget, gutting social programs and decimating local economies. If these cuts move forward, small business owners will be hit hard. Small business owners need investments in their communities, not tax cuts for corporations and the wealthy." -- Amanda Ballantyne, National Director, Main Street Alliance

KEY FACTS ON TRUMP'S 15% 'PASS-THROUGH' TAX CUT PROPOSAL:

From Trump's [one-page](#) "plan" released in April, we know that he is seeking a 15% tax rate on so-called "pass-through" businesses, like the 500 separate legal entities that make up the Trump Organization. If the business tax rate is lowered from 39.6% to 15%, as the one-pager proposes, it will [cost \\$1.4 trillion](#)

[to \\$2 trillion](#) over 10 years, according to the Tax Policy Center (TPC), and benefit few small businesses. For example:

- **Trump’s business tax cut will overwhelmingly benefit the wealthy – hedge fund managers; rich lawyers, doctors and dentists; and real estate developers like Trump.** According to the Tax Policy Center:
 - Just [6.6% of all business owners](#) will get Trump’s business tax cut.
 - The top 1% will get three-quarters (77%) of this tax break—an average tax cut of [\\$76,000](#) each year. That’s because the [top 1% gets more than half](#) of all pass-through income (52.3%).
 - [Less than 2%](#) of business owners pay the top rate of 39.6%.
 - Just [4.7% of households](#) in the middle of the income distribution will get a tax cut, averaging \$370; 3.9% of households in the middle will pay \$750 more in taxes.
- **This business tax break is known as the “Trump Loophole” because the president will benefit enormously from it, as he generates most of his income from pass-through businesses.**
 - The Trump Organization, from which President Trump generates his income, is made up of more than [500 pass-through entities](#), according to his lawyers. It is not a small business. It was the [48th largest U.S. private company](#) in 2016, with 22,450 employees and \$9.5 billion in revenues.
 - With a net worth of at least [\\$3.5 billion](#), Trump ranks #156 on the Forbes list of the 400 richest Americans. The 400 richest households, which receive an average of \$37 million in net income from S corporations and partnerships, would each get an estimated tax cut of [\\$9 million](#).
 - If the Trump loophole becomes law, the president will pay the same 15% tax rate that a small business owner making \$60,000 a year on Main Street would pay. The [15% rate applies to income up to \\$76,000](#) for a married couple.
- **Trump’s \$2 trillion business tax cut benefitting the wealthy is equivalent to the [\\$1.9 trillion cut to Medicaid](#) and other health care services proposed in Trump’s budget.**

For a more detailed analysis of the effects of Trump’s business tax cut [go here](#).

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