



FOR IMMEDIATE RELEASE: October 5, 2017

CONTACT: TJ Helmstetter, thelmstetter@americansfortaxfairness.org

219 REPUBLICAN HOUSE MEMBERS JUST VOTED TO CUT MEDICAID, MEDICARE, AND PUBLIC EDUCATION TO GIVE TAX BREAKS TO MILLIONAIRES AND CORPORATIONS

Vote Was on the House Budget Resolution in Congress that set the stage for Trump-Ryan Tax Plan

WASHINGTON -- Earlier today, the House of Representatives [voted 219 to 206](#) in favor of the Republican House budget resolution that proposed \$5.8 trillion in cuts over the next decade to Medicare, Medicaid, education, infrastructure and other critical services while paving the way for trillions of dollars in tax cuts that would mostly benefit the wealthy and corporations. The vote was almost entirely along party lines, with 18 Republicans joining all Democrats against the resolution.

The budget resolution also set up a procedure for fast-track consideration of tax legislation, enabling Senate Republicans to bypass bipartisanship to pass a tax plan with just 51 votes, rather than 60 votes typically required for such contentious legislation.

Congressional Republican leaders and President Trump released a framework for massive tax cuts last week that will [cost at least \\$2.4 trillion](#), according to the non-partisan Tax Policy Center. The wealthy and corporations, which are primarily owned by rich shareholders, are the big winners. About 80% of the tax cuts will flow to the top 1% by 2027, when they would get a tax cut of \$207,000, on average. That year under the plan, 3 out of 10 middle-class families making between \$50,000 and \$150,000 a year will pay \$2,000 more in taxes, on average, depending on their income (the range is \$1,300 to \$2,500).

These large tax cuts will balloon the deficit and further jeopardize funding for Social Security, Medicare, Medicaid, and education. Included in the \$5.8 trillion in cuts to services under the House-passed budget are Medicaid and other healthcare programs (\$1.5 trillion), Medicare (\$487 billion), and nutrition assistance (\$150 billion).

“This budget resolution is the first step toward an immoral tax scheme that will hand trillions of dollars to millionaires and corporations at the expense of millions of America’s working

families, many of whom will actually see a tax increase” said Frank Clemente, executive director of Americans for Tax Fairness. “These tax cuts for the wealthy and corporations will ultimately be paid for by cuts to Medicaid, Medicare, education, disability services, and other national priorities, while the expansion of the deficit will further threaten Social Security. The Republicans who voted to advance this plan owe their constituents an explanation.”

Below is an explanation of the tax cuts proposed under the Trump-GOP tax framework compared with the spending cuts proposed in the House budget resolution.

TRUMP-RYAN TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (House Budget Cuts Over 10 Years)
<p>\$2.4 trillion: Total cost of GOP's unpaid-for tax cuts, mostly for the wealthy and corporations</p> <p><i>Note: Tax cuts below total more than \$2.4 trillion, as they are partially paid for by ending other tax breaks, many of which benefit the middle class.</i></p>	<p>\$5.8 trillion: House budget cuts to Medicare, Medicaid, education and other public services</p>
<p>\$2 trillion corporate tax rate cut</p>	<p>\$2.9 trillion cut to low-income services like Medicaid, food stamps & Pell Grants</p>
<p>\$1.2 trillion tax cut from changing individual income tax rates mostly benefitting the rich</p>	<p>\$1.5 trillion cut to Medicaid and other healthcare services</p>
<p>\$770 billion tax cut for hedge fund managers, corporate lawyers and real estate developers like Trump</p>	<p>\$487 billion cut to Medicare</p>
<p>Possible \$600 billion tax break on untaxed corporate profits now offshore</p>	<p>\$660 billion cut to “income security” programs for the poor</p>
<p>\$440 billion tax cut from repealing a minimum tax on the wealthy that will benefit Trump</p>	<p>\$300 billion cut to other low-income services</p>
<p>\$240 billion tax cut from repealing tax on estates worth more than \$5.5 million that will benefit Trump's heirs</p>	<p>\$150 billion cut to nutrition assistance</p>

A more detailed version of this chart with sources is available here: <https://americansfortaxfairness.org/wp-content/uploads/ATF-Comparison-of-Trump-Ryan-Tax-Plan-House-Budget-FINAL.pdf>

MORE EFFECTS OF THE TRUMP-GOP TAX PLAN:

Tax Breaks for the Richest 1%:

In the U.S., the richest 1% of Americans will get [53% of the total tax cuts](#) in 2018 and 80% after 10 years. They will get a tax cut of \$129,000 in 2018, on average, and \$207,000 in the 10th year. [Source: [Tax Policy Center](#)]

Estate Tax Repeal:

The Trump-Ryan tax plan eliminates estate and gift taxes, losing \$240 billion over 10 years and boosting the inheritances of the very wealthy. The federal estate tax is paid only by [estates worth at least \\$5.5 million](#), just 2 out of 1,000 estates, or only [5,500 estates](#) in all of 2017. [Sources: [Center on Budget and Policy Priorities \(CBPP\)](#) and [Tax Policy Center](#)]

Repeal of the State and Local Tax Deduction:

The Trump-Ryan tax plan repeals the deduction for state and local taxes (SALT), raising taxes on the middle class and undermining local public services. Repealing SALT would [raise \\$1.3 trillion over 10 years](#). Taxpayers can deduct state and local property taxes, and either income or sales taxes, from their federal taxable income. Over a third of taxpayers making \$50-75,000 use the SALT deduction, and [over half of those making \\$75-100,000](#). An average family in this last group would see their federal taxes jump by \$1,800 if SALT is repealed. In addition to boosting middle-class taxes, repeal of the SALT deduction will make local taxation more expensive, putting pressure on localities to cut budgets for services like roads and schools. [Sources: [Tax Policy Center](#), [Government Finance Officers Assoc.](#)]

###