AMERICANS’ HEALTH CARE AND PUBLIC SERVICES AT RISK FROM TRUMP TAX & BUDGET CUTS, NEW REPORT WARNS

Trump/GOP Tax Breaks for Wealthy, Rx and Insurance Companies, and Trump Budget Show Grim Future of Drastic Health Care and Other Service Cuts for Working Families

Washington, D.C. – This week in communities across the country advocates are holding events to educate the public about the harmful effects of the new tax law. Advocates at the events are releasing a new report from Americans for Tax Fairness and Health Care for America Now that shows how much the tax cuts in each state favor the wealthy and prescription drug companies and health insurers, and how the $1.5 trillion hole the Trump-GOP tax law blows in the national debt jeopardizes funding for Medicaid, Medicare, Social Security, education and more in each state. The national report is here and state reports are here.

“America’s working families are, as usual, getting the short end of the stick from the new Trump-GOP tax law. Most of the tax cuts benefit the wealthy and big corporations, which shows the power of special-interest lobbyists in Washington,” said Frank Clemente, executive director of Americans for Tax Fairness. “The biggest threat for working families is how the tax law puts Medicaid, Medicare, Social Security and education at risk because it blows a nearly $2 trillion hole in the national debt. This report documents those effects based on President Trump’s proposed budget for next year. Tax reform should have helped working families get ahead, not tilted the playing field further in favor of the wealthy and well-connected.”

“Trump and his Republican allies are playing politics with the health and the lives of millions of Americans,” said Health Care for America Now Co-Directors Ethan Rome and Margarida Jorge. “The new tax law hands tens of billions of dollars in tax savings to prescription drug companies and health insurers while repealing a key part of the Affordable Care Act that results in higher premiums for American families and 13 million losing coverage. Trump and the Republican Congress need to know that American voters are not going to take this lying down.”

National Report Executive Summary:

On Tax Day 2018, health care and other vital public services are much less secure for America’s working families due to $1.5 trillion in tax cuts enacted late last year by President Trump and the Republican Congress.

- The tax cuts take revenue out of the federal budget that could be used for public services and investments and divert most of it to the richest households and largest corporations. When the new tax law is fully phased in, 83% of the tax cuts will go to the wealthiest 1%.
- Moreover, these tax cuts will explode the national debt and thereby endanger future funding for Medicare, Medicaid, Social Security and other public services working families rely on.
The Trump-GOP tax cuts put the interests of the wealthy and corporations over those of working families and local communities:

- The richest 1% of taxpayers will get 27% of the nation’s total tax cut. The bottom 60% of taxpayers will get just 13% of the tax cuts.
- The richest 1% will get a tax cut of $55,190, on average. The bottom 60% will get a tax cut of $440—about a dollar a day.

Prescription drug companies and health insurers will reap tens of billions of dollars in tax savings under the new tax law, but few are sharing the wealth with their workers, and none are planning to cut their drug or insurance prices:

- Among the top 10 U.S. drug companies just Merck and Pfizer have said that they will share any of their new tax cuts with employees in the form of one-time bonuses, wage increases or fringe benefits.
- Of the 10 biggest health insurance and managed-care companies just three—Anthem, Cigna, and Humana—have said that they will share any of their new tax cuts with employees.

To pay for their $1.5 trillion in tax cuts that mostly benefit the wealthy and corporations, President Trump and the GOP Congress have targeted vital public programs, particularly health care, for service reductions:

- The new tax law reaps $314 billion in savings by repealing a key part of the Affordable Care Act (ACA), resulting in higher premiums and millions losing coverage. By eliminating the requirement that those who can afford it buy health insurance, the GOP will be responsible for 13 million Americans losing coverage by 2027 and insurance premiums spiking by 10%, or $2,000, on average in 2019 for the remaining insured who buy policies on the individual market.
- In his budget for next year, Trump proposed more than $1.7 trillion in spending cuts. This would slash services that working families rely on:
  - **Health care:** The Trump budget proposes repealing the ACA, which would cause 32 million Americans to lose their health coverage by 2027.
  - **Supplemental Nutritional Assistance Program (SNAP, or food stamps):** Trump’s cuts to food stamps could cost more than 5 million households their benefits in 2019 and 5.5 million households could lose benefits by 2028.
  - **Disability programs:** Trump cuts a total of $72 billion over 10 years from Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI).
  - **Infrastructure:** Trump proposes cuts of $240 billion over 10 years to infrastructure programs. This includes a $99 billion cut to highway funding and $39 billion cut to transit funding between 2021 and 2027. These cuts could mean the loss of more than 1.7 million “job years” (one job for one year) over this time.
  - **Education:** Trump’s budget eliminates federally-subsidized student loans, which could affect many of the 5.6 million college students who received $20.9 billion in aid last year.
  - **Affordable housing:** More than 198,600 families could next year lose the housing vouchers that help them afford rent in private housing. $3.1 billion could be cut in 2019 from a fund to repair and upgrade public housing facilities. The HOME Investment Partnerships Program would be eliminated, costing $958 million that helps provide affordable rental housing and homeownership opportunities. The Community Development Block Grant program would be zeroed out, cutting $3 billion that helps localities pay for a variety of community and economic development services, including affordable housing.

The Congressional Budget Office, a non-partisan scorekeeper, now reports that the tax cuts will add $1.9 trillion to the deficit—one-quarter more than the $1.5 trillion estimated when the tax law was approved in December. This is close to the $1.7 trillion cut to Medicaid, Medicare, Social Security disability programs, SNAP and more proposed in Trump’s budget.
## Top Six States with Most Skewed Distribution of Trump-GOP Tax Cuts, Effects of Individual Mandate Repeal on Insured Population and Premiums, and Effects of Overall ACA Repeal

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Top 1% Share of Trump Tax Cuts</th>
<th>Bottom 60% Share of Trump Tax Cuts</th>
<th>Value of Top 1% Tax Cut</th>
<th>Value of Bottom 60% tax Cut</th>
<th># Losing Health Care from Individual Mandate Repeal (2025)</th>
<th>Avg Premium Increase from Individual Mandate Repeal (2019)</th>
<th># Losing Health Care from ACA Repeal</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>WY</td>
<td>42%</td>
<td>9%</td>
<td>$108,880</td>
<td>$420</td>
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<td>41%</td>
<td>11%</td>
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<td>$500</td>
<td>112,000</td>
<td>$1,730</td>
<td>243,000</td>
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<td>FL</td>
<td>40%</td>
<td>8%</td>
<td>$98,480</td>
<td>$320</td>
<td>873,000</td>
<td>$1,860</td>
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<tr>
<td>4</td>
<td>SD</td>
<td>39%</td>
<td>11%</td>
<td>$88,500</td>
<td>$440</td>
<td>34,000</td>
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<td>12%</td>
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<td>392,000</td>
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<tr>
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<td>34%</td>
<td>12%</td>
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<td>$460</td>
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<td>$1,730</td>
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</table>

Click Here for full data set on all 50 states with impacts of TCJA and Trump and GOP budget cuts.

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**Americans for Tax Fairness** is a diverse coalition of 425 national and state endorsing organizations that collectively represent tens of millions of members. The organization was formed on the belief that the country needs comprehensive, progressive tax reform that results in greater revenue to meet our growing needs. ATF is playing a central role in Washington and in the states on federal tax-reform issues.

**Health Care for America Now (HCAN)** is the national grassroots coalition of labor unions, community groups, policy advocates and online organizations that from 2008-2013 ran a five-and-a-half-year campaign to pass, protect, and promote the Affordable Care Act (ACA).

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