



MEDIA BRIEFING MEMO

To: Editors and Columnists

From: Frank Clemente, Executive Director, Americans for Tax Fairness

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TRUMP’S 2020 BUDGET EXACERBATES UNFAIRNESS OF GOP TAX LAW

Cuts to health care, education, housing, plus...more tax cuts for the wealthy

WASHINGTON, D.C. – President Trump’s [proposed 2020 budget](#) rubs salt in the wounds caused by the GOP’s 2017 tax law. Not only does it propose that working families pick up the tab for the tax law’s giveaways slanted towards the wealthy and big corporations [through funding cuts](#) to Medicare, Medicaid, Social Security disability benefits and other vital public services, but it actually proposes *even more tax cuts* mostly enriching the already rich.

We urge you to publish an opinion piece explaining to readers how the Administration’s tightly linked and equally misguided tax and budget policies help President Trump, the wealthy and corporations while hurting the rest of America.

After ramming through his 2017 tax cuts that [will cost nearly \\$2 trillion](#) over 10 years and mainly benefit [the wealthy](#) and [big corporations](#), President Trump now wants working families to help cover the cost with huge cuts to healthcare, education, housing and more. Trump’s 2020 budget also [proposes another \\$1.1 trillion in tax cuts](#) mostly benefiting the wealthy, paid for by slashing more services for working families. And by repealing the Affordable Care Act, Trump’s budget provides a hidden [\\$235 billion tax cut for the healthcare industry](#), including insurers and drug companies, major beneficiaries of the 2017 corporate tax cuts.

The chart below compares some of the many cuts to key services proposed in Trump’s 2020 budget with 2017 tax cuts of roughly equal size that exclusively or primarily benefit the wealthy and corporations. Presented this way, the inevitable tradeoffs between tax and budget policy become clear.

TRUMP’S PROPOSED BUDGET CUTS	COST OF TRUMP’S 2017 TAX CUTS
\$2.5 Trillion-plus in Overall Cuts: Amount Trump proposes to cut from health care, education, housing, nutrition programs and many other federal services.	\$1.9 Trillion Total Cost of Trump-GOP Tax Cuts: These mostly benefitted the rich and corporations, like prescription drug and insurance companies.
\$1.4 Trillion in Health Care Cuts: Affecting Medicare, Medicaid and the Affordable Care Act, jeopardizing access to health care for millions and eliminating preexisting condition protections.	\$1.3 Trillion Tax Cut for Corporations: Size of the permanent tax cut Trump gave to corporations by lowering their tax rate from 35% to 21%—that’s a 40% tax break.
\$777 Billion Medicaid & Affordable Care Act Cuts: Trump proposes to repeal the ACA, ending protections for preexisting conditions and leaving millions without	\$1.1 Trillion in NEW Tax Cuts: In Trump’s 2020 budget, these mostly benefit the wealthy by extending his tax cuts for individuals another four years.

health coverage. He also proposes to end Medicaid as we know it, cutting services and coverage from millions more and hurting states that depend on Medicaid to respond to the opioid crisis, natural disasters and epidemics.	
\$592 Billion Cut to Medicare: After promising not to cut Medicare, Trump’s budget would cut half a trillion dollars from this program serving 60 million seniors.	\$637 Billion Tax Cut by Weakening the AMT: The Alternative Minimum Tax is meant to ensure the rich pay at least a minimum amount of tax.
\$220 Billion Cut to SNAP: The Supplemental Nutrition Assistance Program (SNAP) serves 41 million low-income people.	\$370 Billion Business Tax Cut: This mostly benefits the top 5% of taxpayers by providing a 20% deduction on “pass-through” business income.
\$84 Billion Cut to Disability Services: Proposed cuts to Social Security Disability Insurance and the Supplemental Security Income program, which serve people with disabilities who have very low incomes.	\$83 Billion Estate Tax Cut: From doubling the amount of a family fortune exempt from the estate tax—rising from \$5.5 million to \$11 million.

Sources: All dollar figures are over 10 years unless otherwise noted. Sources for budget cuts are at <https://bit.ly/2UM1izV>. Tax cut costs are from Joint Committee on Taxation (Dec. 18, 2017) at <https://www.jct.gov/publications.html?func=startdown&id=5053>

MORE CUTS TO SERVICES

In addition to the funding cuts noted above, Trump’s budget includes:

- **College aid cuts:** \$207 billion from student loan programs, worsening the student debt crisis and making it harder for students to attend college ([House Budget Cttee](#))
- **Major federal agency cuts in 2020 alone (CBPP):**
 - EPA: 31%
 - Transportation: 19%
 - Housing and Urban Development: 18%. (For more details, [go here at CBPP.](#))
 - Agriculture: 13%
 - Health and Human Services: 12%
 - Education: 12%

IMPACT ON BUDGET DEFICIT

- Despite massive cuts to domestic services, the GOP tax cuts along with huge increases in defense spending will result in [four straight years of record federal deficits](#) topping \$1 trillion each.
- Proponents of the Trump-GOP tax law, such as [Treasury Secretary Steve Mnuchin](#), claimed the tax cuts would pay for themselves through greater economic activity. The corporate tax cuts in particular show no sign of paying for themselves: [corporate tax revenue dropped by one-third](#), or by \$92 billion, from FY 2017—before the TCJA—to FY 2018, according to Treasury Department data.
- That big drop in corporate tax revenue explains the lion’s share of the [\\$113 billion increase in the federal deficit](#) between FY 2017, when it was \$666 billion, and FY 2018, when it rose to \$779 billion.
- President [Trump’s 2020 budget](#) shows that he plans to tackle the ballooning deficit due to his tax cuts by slashing Medicare, Medicaid, the Affordable Care Act, education and most other critical services for working families, rather than by reversing the tax windfall he gave to the wealthy and corporations. In fact, he wants to double down on his tax cuts that expire in 2026, by extending

them at a cost of \$1.1 trillion. [Senate Republican leaders have called for similar attacks](#) on services for working families by proposing to slash Social Security, Medicare and Medicaid.