



For Immediate Release
May 20, 2019

ATF: \$2 TRILLION INFRASTRUCTURE PLAN NOT POSSIBLE WITHOUT MAJOR TAX INCREASES

Trump Supposed to Reveal Funding Proposal to Democrats at Wednesday Meeting

Washington, D.C. -- A \$2 trillion plan to rebuild the nation's crumbling infrastructure and create millions of good-paying jobs cannot be funded without a major increase in taxes, according to Frank Clemente, executive director of Americans for Tax Fairness.

As Congressional Democrats [prepare to meet with Trump on Wednesday](#) to hear details of his proposal to pay for the \$2 trillion infrastructure outlay they agreed to earlier this month, Clemente said any plan that does not include the revenue needed to pay for it will be meaningless and doomed to failure.

"If major tax increases are off the table, there is no way to pay for a \$2 trillion infrastructure plan, it's that simple," he said. "Other options, such as raising the gas tax, might be part of the package, but by themselves won't come close to reaching the \$2 trillion that's needed to fully address the poor state of the nation's infrastructure."

While Senate Democrats have proposed [funding a \\$1 trillion infrastructure plan](#) by rolling back Trump-GOP tax breaks that benefited the wealthy and corporations, President Trump has not yet identified funding sources. But Republican leaders in Congress have already stated that rolling back some of the tax cuts in the 2017 Tax Cuts and Jobs Act is "[a non-starter](#)." Others have said [borrowing to pay for infrastructure](#) is also off the table.

"None of these objections were raised by Republicans when they passed their tax cuts for the wealthy and big corporations that weren't paid for and [added nearly \\$2 trillion to the debt](#)," Clemente said. "They continue to insist that the tax cuts will pay for themselves, but [that won't happen](#)."

Clemente said that if Congress doesn't want to roll back or repeal the TCJA, there are numerous other ways to close loopholes and end special tax breaks for the wealthy and corporations that pre-date the TCJA. A recent report by Americans for Tax Fairness, [Fair Taxes Now](#) identified around 40 options that would raise trillions of dollars and include:

- **Assessing an annual tax on extreme wealth:** Sen. Elizabeth Warren (D-MA) has proposed an ["Ultra-Millionaires Tax" of 2%](#) on the portion of a household's net worth exceeding \$50 million, and a 3% tax on the portion exceeding \$1 billion, which could raise \$2.75 trillion.
- **Taxing wealth more like work:** Ending or reducing the tax discount on certain investment income so the tax rate paid by the rich on their income from stocks (currently about 24%) more closely matches the 37% top tax rate paid on wages and salaries and other investment-income reforms [could raise up to \\$2.4 trillion](#).
- **Placing a surtax on super-high incomes:** A 10% surtax on that part of a couple's income above \$2 million could [raise up to \\$800 billion](#).

- **Making corporations, who arguably benefit most from public infrastructure spending, pay more by increasing their income tax rate from the current 21% (Senate Democrats proposed to 25%).** Every 1 percentage point increase raises about \$100 billion – a 25% rate would raise about \$360 billion; a 28% rate would raise nearly \$700 billion and a 35% rate restoration would collect about \$1.3 trillion.
- **Taxing Wall Street trades:** A tax of just 10 cents on every \$100 in trades could [raise \\$777 billion](#), according to CBO. It would also slow the high-frequency trading of stock market speculators that destabilizes markets for long-term investors.

Other options for paying for an ambitious infrastructure plan are inadequate. The gas tax, which has been 18.4-cents a gallon since 1993, is a diminishing resource. Better mileage cars and electric vehicles [have been shrinking Highway Trust Fund gas tax revenues](#) for the last 20 years. Increasing the motor fuel tax by 35 cents a gallon—effectively tripling it—would [raise just \\$515 billion](#) over 10 years, according to the Congressional Budget Office, far short of what’s needed.

Public-private partnerships, in which private investment is leveraged to fund public projects, have also been mentioned as ways to pay for infrastructure improvements. But only about 12% of infrastructure projects [offer a return that would attract private investment](#), and the tolls and fees necessary to make the projects viable would disproportionately tax working families while providing long-term guaranteed profits for big corporations and Wall Street.

During the 2016 campaign, Trump [promised to spend \\$1 trillion](#) on infrastructure, but no workable plan emerged. According to Democrats, it was Trump who proposed [boosting the amount to \\$2 trillion](#) at their meeting in the White House, but funding options weren’t mentioned.

“It will be interesting to see what the president comes up with,” said Clemente. “But without asking more from the wealthy and corporations, the plan will be just another empty promise while our roads, bridges, rail lines and public buildings continue to deteriorate.”

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