



TRUMP CONSIDERING ANOTHER BIG TAX CUT, AGAIN CLAIMING IT'S FOR THE MIDDLE CLASS

2017 "Middle Class Tax Cut" Largely Benefited the Wealthy, Exploded the Deficit

WASHINGTON, D.C. – Reports that President Donald Trump is considering an election-year “middle class tax cut” has echoes of the 2017 Tax Cuts and Jobs Act, which the Administration billed as a “middle class tax cut” but mostly benefited the wealthy and big corporations.

In selling the gigantic [\\$1.9 trillion tax cut](#) in 2017, [Gary Cohen, then White House economic advisor, said](#), “Our tax plan is purely aimed at middle-class families. Everything we’ve done in this tax plan is to solve for the middle-class. Wealthy Americans are not getting a tax cut.”

Then [House Speaker Paul Ryan chimed in](#) saying, “This is one reason why tax reform is the single biggest thing we can do to help middle-income families and workers. The focus on this plan is on hard-working American families.”

And today, [Trump defended the 2017 tax cut](#) saying it had provided “massive relief” for middle class families.

But the tax law that was passed ultimately [gave most of the benefits to the wealthy and corporations](#), and did little for the working families.

“Here we go again,” said Frank Clemente, executive director of Americans for Tax Fairness. “What’s the line, fool me once...? A vague, election-year promise of a huge tax cut for the middle-class should be viewed very skeptically, and the impact of such a cut will only increase the deficit even more and give Republicans a further excuse to cut essential services for working families. I think most families will find it’s not worth getting a few more bucks from a Trump tax cut if it means slashing their Medicare benefits, financial aid for college or food assistance due to a low-wage job.”

Details are unclear, but [The Washington Post reports](#) that the Trump Administration is considering a proposal to lower marginal tax rates of 22% and 24% to 15% for those who earn between \$30,000 and \$100,000. Depending on how it is structured, it could cost around \$1 trillion, on top of the \$1.9 trillion from the previous tax cut. Such a proposal would also give a big tax cut to the wealthy again since the rich also pay marginal taxes on the lower rates.

According to a tax simulation model at PSL Models, dropping the 22% and 24% marginal rates to 15% would give a [\\$110 tax cut](#) on average to someone with income between \$50,000 and \$75,000 and a \$11,000 tax cut on average to someone making \$500,000 to \$1,000,000.

“Raising the idea of a new ‘middle-class tax cut’ is an admission by the President that his first tax cut was a scam,” said Clemente. “It wasn’t aimed at the middle class but aimed at his wealthy friends and big corporations. Why should we expect anything different now?”