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For Immediate Release

“12 DAYS OF TAX SCAM” CONTINUES TO HIGHLIGHT 2nd ANNIVERSARY OF TAX CUT FAILURES

On the Seventh Day of Tax Scam Team Trump Said to Me.....

“The large number of pass-through returns, [98 percent], are all \$500,000 or less. Those people will get substantial reductions — small and medium-size businesses.”

– Treasury Secretary Steven Mnuchin, Nov. 17, 2017 [\[CNBC\]](#)

That was the promise – that America’s small businesses would see big tax cuts as the result of the 2017 Tax Cuts and Jobs Act. Hasn’t happened. Almost half of the benefits of this supposed “small” business tax cut are going to the tiny sliver of businesses with over \$1 million in annual income. Less than a quarter is going to firms with income of \$200,000 or less.

This tax break pertains to “pass-throughs,” which are unincorporated businesses ranging from corner groceries to big law firms. They don’t pay corporate income taxes. Instead, profits “pass through” to the owners who pay any tax due on their personal returns at individual rates. The Trump-GOP tax law allows (with many complex exceptions) owners of pass-throughs to exclude 20% of their business income from taxation. Such a deduction is more valuable the higher the tax bracket: it in essence lowers the top tax rate from 37% to under 30%.

Although most U.S. businesses are pass-throughs, their income is highly concentrated: [60% of this tax break](#) will go to the richest 1% of taxpayers by 2024.

Source: Americans for Tax Fairness, <https://americansfortaxfairness.org/promise-small-businesses-will-receive-big-tax-cut/>

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