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MEDIA BACKGROUNDER

ICYMI: COMPILATION OF NON-PARTISAN RESEARCH AND NEWS REPORTS SHOWS LITTLE ECONOMIC GAIN FROM TRUMP-GOP TAX CUTS

Nevertheless, Trump Considering New Tax Cuts for Wealthy Even Though Polling Compilation Shows TCJA Still Underwater with Public

WASHINGTON, D.C. – The 2017 Tax Cuts and Jobs Act (TCJA), the top legislative achievement of the Trump Administration and the GOP Congress, has failed to live up to the many promises by its proponents, according to a year-long [compilation of articles and research data on the impacts of the tax cut law](#) maintained by ATF and updated regularly.

The overwhelming evidence shows that the tax cuts for the wealthy and big corporations costing \$2 trillion have not produced the economic boost its supporters predicted. They have not led to increased wages for workers, and they have not “paid for themselves.” In fact, the tax cuts are a [key factor in this year’s larger-than-expected federal budget deficit](#), which is projected to top \$1 trillion next year.

Americans for Tax Fairness maintains another compilation: [more than a year of public opinion polling on the tax cut law](#) showing that the public never supported the law and continues to oppose it today, as well as poll questions about various proposals for taxing the wealthy.

“Our compilations offer an impressive amount of reporting and economic data on the TCJA that add up to one inescapable conclusion: the Trump-GOP tax cuts largely benefited the wealthy, exploded the deficit and increased economic inequality in this country,” said Frank Clemente, executive director of Americans for Tax Fairness. “Virtually none of the rosy economic promises made by the Trump Administration and GOP members of Congress have panned out.”

Taken together, the news articles, which cite government, think-tank and private-sector economic data, show how most corporations used their tax cuts to buy back shares of their own stock instead of making major investments or raising the wages of their employees. A sampling of headlines over the past year tell the story:

[Trump’s tax cut isn’t giving the US economy the boost it needs](#) – CNBC, August 2019

[U.S. Corporate Tax Cuts Fail to Boost Investment, IMF Blog Says](#) – Forbes, August 2019

[AT&T got a giant tax cut but has laid off thousands, union says](#) – CBS News, August 2019

[The Trump vs. Obama economy — in 15 charts](#) – The Washington Post, August 2019

[Companies prefer buybacks in wake of Trump tax cuts](#) – Axios, March 2019

[U.S. Banks Win \\$21 Billion Trump Tax Windfall Then Cut Staff, Loaned less](#) – Bloomberg, February 2019

[A devastating analysis of the tax cut shows it’s done virtually no economic good](#) – LA Times, May 2019

The complete compilation is [HERE](#).

In addition, a variety of polls continue to show that the public disapproves of the tax cut law and believe it mostly favored the wealthy. The [latest poll from July](#) shows 43% of respondents rated the TCJA unfavorably, while 33% were favorable (Q. 54). Among Democrats, 68% rated it unfavorably, along with 43% of independents of whom just 13% rated it favorably. The complete collection of polling is [HERE](#).

The polling seems to confirm [a recent analysis by the Brookings Institution](#) that suggests that tax cuts have lost their potency to attract voters in a political campaign. It also may explain why so many [Democratic candidates say if elected they will repeal all or part of the TCJA](#) or propose new taxes to address climate change and other concerns.

But despite the mountain of evidence showing tax cuts don't work to spur economic growth, the Trump Administration is considering another major tax cut that would once again largely benefit the wealthy. According to media reports, the Trump Administration is [reviewing a plan to bypass Congress](#) and allow indexing of capital gains for inflation. Besides probably being illegal, [the president's plan would cost the Treasury up to \\$200 billion](#), do little or nothing to stimulate the economy and personally benefit Trump and his rich friends and cabinet officers. Yet support for the plan is strong within the Republican party: [21 GOP senators](#) recently urged the Treasury Department to adopt this dubious proposal.

“Trump and the GOP are wedded to a failed economic policy, continuing to believe that tax cuts for the wealthy and big corporations will lift all boats and provide an economic boost to everyone,” Clemente said. “Decades of experience with this trickle-down philosophy shows it doesn't work. It's just a scam by the wealthy for the wealthy. And the deficits caused by these tax cuts give Republicans an excuse to demand slashes to services for working families – Medicare, Medicaid, Social Security, education – to cover pay for them.”

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