



**FOR IMMEDIATE RELEASE:**

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## **GOP'S CORPORATE TAX CUTS HAVE FAILED TO DELIVER PROMISED BENEFITS FOR WORKERS, ECONOMY**

### ***House Panel Urged to Spotlight Puny Raises, Slow Growth, Collapsing Investment from Corporate Cuts Benefitting Huge Firms While Losing a Fortune in Federal Revenue***

WASHINGTON, D.C.—Corporate tax cuts at the center of 2017's Tax Cuts and Jobs Act (TCJA) have failed to deliver the boost to workers and the economy promised by its Republican backers two years ago. The real winners have been corporations able to shrink their federal income taxes, sometimes down to zero. The House Ways & Means committee was urged by Americans for Tax Fairness (ATF) to highlight in its hearing on "The Disappearing Corporate Income Tax" scheduled for today the tax law's broken promises to the American people and costly bonanza for huge profitable corporations.

Among the busted promises, as outlined in the [ATF testimony to the Ways and Means Committee](#):

- Workers were guaranteed speedy raises of \$4,000 to \$9,000. Instead, wages barely budged in the first year of the law, up less than 1% or about \$500.
- Job growth was supposed to quicken. Hiring has actually slowed, with fewer jobs created in 2019—a monthly average of 175,000—than any year since 2011.
- President Trump held out the possibility of 6% annual growth. GDP growth has in fact yet to hit even 3% in the two years following enactment of the TCJA and largely tracked GDP growth under President Obama.
- Business investment, which was meant to "really take off," has instead fizzled, declining over the past three quarters.

Meanwhile, corporate taxes have been shrinking. In the first full fiscal year under the new law, corporate tax receipts were more than \$100 billion below what had been forecast by the Congressional Budget Office prior to the TCJA. This bleeding of federal income is on track to meet the \$1.3 trillion in lost tax revenue over 10 years due to the corporate tax rate cut forecast by the Joint Committee on Taxation when the TCJA was passed.

Moreover, 91 profitable members of the Fortune 500—familiar names like Amazon, General Motors, Netflix, FedEx, Eli Lilly and Wells Fargo—paid zero federal income taxes in 2018, or even got big refunds, [according to a report](#) from the Institute on Taxation and Economic Policy (ITEP). Hundreds more paid taxes at rates far below the statutory rate of 21%.

“The Ways and Means Committee has picked a ripe target for investigation,” said Frank Clemente, executive director of Americans for Tax Fairness. “The Trump-GOP corporate tax cuts were sold on rosy promises that are quickly proving false, with only corporate CEOs and wealthy shareholders coming out ahead. Showing up the failures of the TCJA is an important first step towards achieving real, fair share tax reform, the kind that will help us build an economy that works for all of us, not just those at the top.”