



HOUSE GOP TAX PLAN & CONGRESSIONAL BUDGET PLAN COMPARISON

SUMMARY TABLE

HOUSE GOP TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (Congressional Budget Cuts Over 10 Years)
<p>\$1.4 trillion: Total cost of GOP's unpaid-for tax cuts, mostly for the wealthy and corporations</p> <p><i>Note: Tax cuts below total more than \$1.5 trillion, as they are partially paid for by ending other tax breaks, many of which benefit the middle class.</i></p>	<p>\$5.8 trillion: Total Senate budget cuts to Medicare, Medicaid, education and other public services</p> <p><i>Note: Budget cuts below are included in this total.</i></p>
\$1.5 trillion corporate tax rate cut	\$1.5 trillion cut to Medicare and Medicaid
\$1 trillion tax cut from changing individual income tax rates mostly benefitting the rich	\$1.3 trillion cut to Medicaid and other healthcare services
\$695 billion tax cut from repealing a minimum tax (AMT) on the wealthy that will benefit Trump	\$800 billion cut to education, medical research, job training, housing, EPA, infrastructure and other non-defense "discretionary" services
\$597 billion tax cut for wealthy "pass-through" business owners like Trump	\$653 billion cut to "income security" programs for low-income families
\$460 billion tax break on untaxed corporate profits now offshore	\$473 billion cut to Medicare
\$150 billion tax cut from weakening, then repealing tax on estates worth \$5.5 million or more, which will benefit Trump's family	\$200 billion cut to education, job training, and social services



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Except where noted, tax cost estimates are from the [Joint Committee on Taxation](#) (11/11/2017¹) and spending cuts are from the [Center on Budget and Policy Priorities](#) (10/3/17).² This chart compares the cost of the tax cuts in the House GOP tax plan approved by the House of Representatives on November 16 with the cuts to services in the Senate budget resolution that passed in the Senate and the House on October 19 and 26, respectively.

HOUSE GOP TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (Congressional Budget Cuts Over 10 Years)
<p><u>\$1.4 TRILLION: TOTAL COST OF HOUSE GOP'S UNPAID-FOR TAX CUTS, MOSTLY FOR THE WEALTHY & CORPORATIONS</u>³</p> <ul style="list-style-type: none"> • \$1.4 trillion in tax cuts are not paid for: This will balloon the deficit and result in GOP demands to cut Social Security, Medicare, Medicaid, education and many other services. • Richest 1% will get: <ul style="list-style-type: none"> • 20% of tax cuts in 2018 and 47% in 10 years • \$37,100 tax cut in 2018 and \$62,300 in 10 years (averages)⁴ • A growing share of the middle class will get hit with a tax increase—10% in 2018 (averaging \$1,100) and 30% in 10 years (averaging \$1,230).⁵ 	<p><u>\$5.8 TRILLION: TOTAL SENATE BUDGET CUTS TO MEDICARE, MEDICAID, EDUCATION & OTHER PUBLIC SERVICES</u>⁶</p> <ul style="list-style-type: none"> • Cuts \$470 billion from Medicare and \$1.3 trillion from Medicaid and other healthcare. • Cuts \$800 billion from investments like scientific research and environmental protection and services like job training, student financial aid, and housing assistance. • Cuts over \$600 billion from income-security programs for lower-income families. • Cuts \$200 billion from services to help students afford college, and provide training and employment services for workers.
<p><u>\$1.5 TRILLION CORPORATE TAX RATE CUT</u>⁷</p> <ul style="list-style-type: none"> • Corporate tax rate slashed from 35% to 20%—more than a 40% cut. • 70% of corporate tax cuts benefit wealthier Americans.⁸ • Corporate profits are at highs not seen since the 1950s, while corporate taxes are at record lows.⁹ 	<p><u>\$1.5 TRILLION CUT TO MEDICARE & MEDICAID</u>¹⁰</p> <ul style="list-style-type: none"> • Medicare is cut by \$473 billion. • Medicaid is cut by \$1 trillion.¹¹ • Cuts to these programs take the form of restricted eligibility, reduced payments to providers, and other changes that reduce care.
<p><u>\$1 TRILLION TAX CUT FROM CHANGING INCOME TAX RATES</u>¹²</p> <ul style="list-style-type: none"> • 7 tax brackets reduced to four: 12%, 25%, 35%, & 39.6%. • The current top rate of 39.6% is dropped to 35% for households with incomes between \$400,000 and \$1 million. • Tax increases on the middle-class grow with time. The share of middle-income people hit by a tax increase <i>triples</i> from 10% in 2018 to 30% ten years later.¹³ 	<p><u>\$1.3 TRILLION CUT TO MEDICAID & OTHER HEALTH CARE SERVICES</u>¹⁴</p> <ul style="list-style-type: none"> • Besides the \$1 trillion cut to Medicaid, the rest of the cuts would come from other health care services, primarily Affordable Care Act (ACA) subsidies.¹⁵ • The budget resolution would facilitate substantial repeal of the ACA as part of a tax cut package.¹⁶

<p style="text-align: center;">HOUSE GOP TAX CUTS (Tax Cuts Over 10 Years)</p>	<p style="text-align: center;">HARM TO WORKING FAMILIES (Congressional Budget Cuts Over 10 Years)</p>
<p style="text-align: center;"><u>\$695 BILLION TAX CUT FROM REPEALING A MINIMUM TAX ON THE WEALTHY</u>¹⁷</p> <ul style="list-style-type: none"> • Eliminates the Alternative Minimum Tax (AMT), which prevents the wealthy from using excessive deductions and other breaks to sharply reduce or eliminate their tax bill. • The AMT prevented Trump from cutting his taxes by \$31 million in 2005, the one year for which his tax returns has been made public.¹⁸ • Trump's tax rate would have been less than 4% if the AMT had not been in place.¹⁹ 	<p style="text-align: center;"><u>\$800 BILLION CUT TO EDUCATION, JOB TRAINING, HOUSING, INFRASTRUCTURE & OTHER NON-DEFENSE "DISCRETIONARY" SERVICES</u>²⁰</p> <ul style="list-style-type: none"> • Cuts \$800 billion from a broad category known as "non-defense discretionary" programs. • This could include cuts to medical research, environmental protections, national park, student financial aid, housing assistance, and other services working families rely on. • If cuts were distributed across all programs proportionally, it could eliminate nutrition assistance for 1.25 million women, infants & children and take away housing assistance for more than 1 million families.²¹
<p style="text-align: center;"><u>\$597 BILLION TAX CUT FOR WEALTHY BUSINESS OWNERS LIKE TRUMP</u>²²</p> <ul style="list-style-type: none"> • Slashes top tax rate on "pass-through" business owners from 39.6% to 25%, helping business investors and owners like Trump. • Sold as a small business tax cut, but just 14% of business owners would benefit from this tax cut because most already pay a rate of 25% or less.²³ • The richest 1% of taxpayers get more than half (52%) of existing pass-through income and will benefit most from this tax cut.²⁴ 	<p style="text-align: center;"><u>\$650 BILLION CUT TO "INCOME SECURITY" PROGRAMS FOR LOW-INCOME FAMILIES</u>²⁵</p> <p>Cuts could slash funding for:</p> <ul style="list-style-type: none"> • Nutrition assistance (SNAP, or food stamps) that helps families put food on the table. • Tax credits for working families like the Earned Income Tax Credit and the Child Tax Credit. • Supplemental Security Income (SSI), which benefits 8.2 million disabled seniors, adults, and children with limited incomes.²⁶ • Unemployment insurance, foster care, Temporary Assistance to Needy Families (TANF).
<p style="text-align: center;"><u>\$460 BILLION TAX BREAK ON CORPORATE PROFITS NOW OFFSHORE</u></p> <ul style="list-style-type: none"> • American corporations have \$2.6 trillion in profits stashed offshore. They owe about \$750 billion in U.S. taxes on those profits.²⁷ • The House GOP plan would slash the tax rate on these profits from 35% to 14% (for cash assets) and 7% (for non-cash assets). This would raise only about \$290 billion,²⁸ giving tax-dodging corporations a \$460 billion dollar tax break. • Corporations should instead pay what they owe, just like working families and small businesses do. 	<p style="text-align: center;"><u>\$473 BILLION CUT SPECIFICALLY TO MEDICARE</u>²⁹</p> <ul style="list-style-type: none"> • Despite assurances from President Trump that Medicare would not be cut, the Congressional budget cuts Medicare by \$473 billion. • Medicare currently covers about 58 million seniors and disabled people though original Medicare and Medicare advantage plans.³⁰
<p style="text-align: center;"><u>\$150 BILLION TAX CUT FROM REPEALING TAX ON ESTATES WORTH MORE THAN \$5.5 MILLION</u>³¹</p> <ul style="list-style-type: none"> • Weakens and then in 7 years repeals the estate tax, allowing Trump's kids and other rich heirs to inherit fortunes tax-free. • Estate tax is paid only by estates worth \$5.5 million or more.³² • Just 2 out of every 1,000 estates³³ owes any tax— or only 5,500 estates in all of 2017.³⁴ 	<p style="text-align: center;"><u>\$200 BILLION CUT TO EDUCATION, JOB TRAINING, & SOCIAL SERVICES</u>³⁵</p> <ul style="list-style-type: none"> • May include cuts to Pell Grants and other financial aid for college students. • Also at risk are "Social Services Block Grants" to states that help cover services like preventing child and elder abuse and providing community-based care for seniors and people with disabilities.

Endnotes

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- 3 JCT, “Revenue Effects,” p. 8.
- 4 Tax Policy Center (TPC), “Distributional Analysis of the Tax Cuts and Jobs Act as Passed by the House Ways and Means Committee” (Nov. 13, 2017), Tables 1 and 2. http://www.taxpolicycenter.org/sites/default/files/publication/148171/2001592-distributional-analysis-of-the-tax-cuts-and-jobs-act-as-passed-by-the-house-ways-and-means-committee_0.pdf
- 5 *Ibid.*, Tables 3 and 4. “Middle class” is defined as those in the “Middle quintile” of each table.
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- 7 JCT, “Revenue Effects,” p. 3. See “Reduction in Corporate Tax Rate to 20%.”
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- 9 Americans for Tax Fairness and Economic Policy Institute, “Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe” (Sept. 2016), Figure 2. Measured as a share of the economy (GDP). <http://www.epi.org/publication/corporate-tax-chartbook-how-corporations-rig-the-rules-to-dodge-the-taxes-they-owe/> <https://americansfortaxfairness.org/corporate-tax-chartbook-how-corporations-rig-the-rules-to-dodge-the-taxes-they-owe/>
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- 11 Senate Budget Committee Minority Staff, “Republican Budget Priorities: Tax Breaks for Millionaires, Cuts to Medicare and Medicaid.” <http://www.politico.com/f/?id=0000015e-e710-ddab-a57f-ef54f67a0000>
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- 14 CBPP, “Proposed Senate Budget,” p. 5.
- 15 CBPP, “Proposed Senate Budget,” p. 5
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- 17 JCT, “Revenue Effects,” p. 3. See “Repeal of Alternative Minimum Tax on Individuals.”
- 18 *New York Times* (NYT), “Trump Wrote off \$100 Million in Losses in 2005, Leaked Returns Show” (March 14, 2017). <https://www.nytimes.com/2017/03/14/us/politics/donald-trump-taxes.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=first-column-region®ion=top-news&WT.nav=top-news&r=1>
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