



SPEAKER PAUL RYAN'S TAX & BUDGET PLANS

The House Budget Committee's 2018 budget is full of cruel tradeoffs. It would pave the way for trillions of dollars in tax cuts to the wealthy and big corporations, while cutting trillions of dollars from public services working families rely on, such as Social Security, healthcare and education. It would set up the process for Republicans to reduce the corporate tax rate by over 40% at a time of booming corporate profits and shrinking corporate tax payments, paying for much of the \$1.8 trillion in lost revenue with \$1.5 trillion in cuts to health care. It would allow Republicans in Congress to slash the taxes paid by wealthy investors by nearly half a trillion dollars, and impose a similar cut to Medicare by replacing guaranteed coverage with an insufficient voucher program. It would provide the mechanism to repeal the estate tax, allowing wealthy heirs to inflate their inheritances by nearly \$200 billion, and cover much of the cost with \$150 billion in cuts to food stamps. Despite efforts by House Republicans to sell their tax and budget plans as good for working families, the reality is the opposite.

RYAN TAX GIVEAWAYS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (Budget Cuts Over 10 Years)
<p><u>\$3.1 TRILLION: TOTAL COST OF RYAN'S TAX CUTS, MOSTLY FOR THE WEALTHY & CORPORATIONS</u>¹</p> <ul style="list-style-type: none"> • Richest 1% get: <ul style="list-style-type: none"> • More than 99% of the tax cuts once fully enacted; • \$240,000 tax cut each year (average).² 	<p><u>\$5.8 TRILLION: HOUSE BUDGET CUTS TO MEDICARE, MEDICAID, EDUCATION AND OTHER SERVICES</u>³</p> <ul style="list-style-type: none"> • Includes cuts to services that boost working families like health care, nutrition assistance, and college aid.⁴ • Makes \$500 billion in cuts to school meals, tax credits for working families, and Supplemental Security Income (SSI),⁵ which benefits 8.2 million disabled seniors, adults, and children with limited incomes.⁶ • Cuts Pell Grants to help working families afford college by \$75 billion; makes up to \$120 billion in cuts to student loans.⁷
<p><u>\$1.8 TRILLION CORPORATE TAX CUT</u>⁸</p> <ul style="list-style-type: none"> • Cuts corporate tax rate from 35% to 20%. • Corporate tax cuts mostly benefit the wealthy.⁹ • Today, corporate profits are near 65-year record highs, while corporate taxes are at record lows.¹⁰ 	<p><u>\$1.5 TRILLION CUT FROM HEALTH CARE</u>¹¹</p> <ul style="list-style-type: none"> • Includes repeal of Affordable Care Act, which would take health care away from 23 million people.¹² • Makes additional cuts to Medicaid on top of the cuts from ACA repeal, including \$110 billion from imposing work requirements for Medicaid recipients.¹³
<p><u>\$498 BILLION TAX CUT ON INVESTMENT INCOME</u>¹⁴</p> <ul style="list-style-type: none"> • Exempts half of income from capital gains, dividends, and interest from taxation. • Effectively reduces the top tax rate on capital gains from 23.8% to 16.5% and the top rate on interest income from 43.4% to 16.5%.¹⁵ • Investment income is heavily skewed toward the rich: over half of all dividends go to the top 1% and three-quarters of capital gains go to the top 1%.¹⁶ 	<p><u>\$487 BILLION CUT FROM MEDICARE</u>¹⁷</p> <ul style="list-style-type: none"> • Cuts \$487 billion from Medicare and converts it to a system that gives beneficiaries flat amounts of "premium support" to purchase a traditional Medicare plan or competing plans on the private market. • The premium support system would likely increase premium costs for people that remain enrolled in traditional Medicare.

<p style="text-align: center;">RYAN TAX GIVEAWAYS (Tax Cuts Over 10 Years)</p>	<p style="text-align: center;">HARM TO WORKING FAMILIES (Budget Cuts Over 10 Years)</p>
<p style="text-align: center;"><u>\$188 BILLION</u> TAX CUT FROM REPEALING TAX ON ESTATES WORTH MORE THAN \$5.5 MILLION¹⁸</p> <ul style="list-style-type: none"> • Repeals the estate tax, allowing rich heirs to inherit fortunes tax-free. • Estate tax is only paid by estates worth at least \$5.5 million.¹⁹ • Just 2 out of every 1,000 estates²⁰ owes any tax—or only 5,500 estates in 2017.²¹ 	<p style="text-align: center;"><u>\$150 BILLION</u> CUT FROM NUTRITION ASSISTANCE²²</p> <ul style="list-style-type: none"> • Eliminates or reduces food stamp benefits for millions of households by cutting the Supplemental Nutrition Assistance Program (SNAP or food stamps). • By 2027, SNAP will be cut by 40%. • SNAP feeds more than 42 million,²³ including 1 in 4 children.²⁴

¹ Tax Policy Center (TPC), “An Analysis of the House GOP Tax Plan” (Sept. 16, 2016), Table 2.

<http://www.taxpolicycenter.org/sites/default/files/alfresco/publication-pdfs/2000923-An-Analysis-of-the-House-GOP-Tax-Plan.pdf>

² TPC “House GOP Tax Plan,” Table 5.

³ Center on Budget and Policy Priorities (CBPP), “House GOP Budget Cuts Programs Aiding Low- and Moderate-Income People by \$2.9 Trillion Over Decade” (Revised Sept. 5, 2017). <https://www.cbpp.org/research/federal-budget/house-gop-budget-cuts-programs-aiding-low-and-moderate-income-people-by-29>

⁴ *Ibid.*

⁵ *Ibid.*

⁶ Social Security Administration (SSA), “Monthly Statistical Snapshot, June 2017” (July 2017), Table 3.

https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/

⁷ CBPP, “House GOP Budget,” p. 4.

⁸ TPC “House GOP Tax Plan,” Table 2.

⁹ CBPP, “Corporate Tax Cuts Skew to Shareholders and CEOs, Not Workers as Administration Claims” (Aug. 16, 2017).

<https://www.cbpp.org/research/federal-tax/corporate-tax-cuts-skew-to-shareholders-and-ceos-not-workers-as-administration>

¹⁰ Americans for Tax Fairness and Economic Policy Institute, “Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe” (Sept. 19, 2016), Figure 2. https://americansfortaxfairness.org/wp-content/uploads/Corporate-tax-chartbook_-_How-corporations-rig-the-rules-to-dodge-the-taxes-they-owe_-_Economic-Policy-Institute.pdf

¹¹ CBPP, “House GOP Budget,” p. 4.

¹² Congressional Budget Office, “Cost Estimate: H.R. 1628 - American Health Care Act” (May 24, 2017), p. 16.

<https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf>

¹³ CBPP, “House GOP Budget,” p. 4.

¹⁴ TPC “House GOP Tax Plan,” Table 2.

¹⁵ TPC, “House GOP Tax Plan,” p. 4.

¹⁶ TPC, “Table T16-0195: Distribution of Long-Term Capital Gains and Qualified Dividends” (Sept. 7, 2016).

<http://www.taxpolicycenter.org/model-estimates/distribution-individual-income-tax-long-term-capital-gains-and-qualified-16>

¹⁷ CBPP, “House Budget Cuts, Restructures Medicare.” <https://www.cbpp.org/blog/house-budget-cuts-restructures-medicare>

¹⁸ TPC, “House GOP Tax Plan,” Table 2.

¹⁹ CBPP, “Ten Facts You Should Know About the Federal Estate Tax” (May 5, 2017). <https://www.cbpp.org/research/federal-tax/ten-facts-you-should-know-about-the-federal-estate-tax>

²⁰ *Ibid.*

²¹ TPC, “Briefing Book: Who pays the estate tax?” <http://www.taxpolicycenter.org/briefing-book/who-pays-estate-tax>

²² CBPP, “House GOP Budget,” p. 4.

²³ U.S. Department of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program FY14-FY17 National View Summary, April 2017 (July 7, 2017). <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>

²⁴ CBPP, “SNAP Helps Millions of Children” (April 26, 2017).

<https://www.cbpp.org/research/food-assistance/snap-helps-millions-of-children>