



TRUMP-GOP TAX PLAN & HOUSE BUDGET PLAN COMPARISON

SUMMARY TABLE

TRUMP-GOP TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (House Budget Cuts Over 10 Years)
<p>\$2.4 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 \$2.4 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: House budget cuts to Medicare, Medicaid, education and other public services</p>
<p>\$2 trillion corporate tax rate cut</p>	<p>\$2.9 trillion cut to low-income services like Medicaid, food stamps & Pell Grants</p>
<p>\$1.2 trillion tax cut from changing individual income tax rates mostly benefitting the rich</p>	<p>\$1.5 trillion cut to Medicaid and other healthcare services</p>
<p>\$770 billion tax cut for hedge fund managers, corporate lawyers and real estate developers like Trump</p>	<p>\$487 billion cut to Medicare</p>
<p>Possible \$600 billion tax break on untaxed corporate profits now offshore</p>	<p>\$660 billion cut to "income security" programs for the poor</p>
<p>\$440 billion tax cut from repealing a minimum tax on the wealthy that will benefit Trump</p>	<p>\$300 billion cut to other low-income services</p>
<p>\$240 billion tax cut from repealing tax on estates worth more than \$5.5 million that will benefit Trump's heirs</p>	<p>\$150 billion cut to nutrition assistance</p>



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Except where noted, tax cost estimates from [Tax Policy Center](#) (9/29/17).¹

This chart compares the cost of the tax cuts in the tax plan of President Trump and GOP leaders with the cuts to services in the House budget resolution passed on October 5, 2017.

TRUMP-GOP TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (House Budget Cuts Over 10 Years)
<p><u>\$2.4 TRILLION: TOTAL COST OF GOP'S UNPAID-FOR TAX CUTS, MOSTLY FOR THE WEALTHY & CORPORATIONS</u>²</p> <ul style="list-style-type: none"> • \$2.4 trillion in tax cuts are not paid for: These are all tax cuts for corporations and businesses.³ 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"> • 50% of tax cuts in 2018 and 80% in 10 years • \$130,000 tax cut in 2018 and \$207,000 in 10 years (averages)⁴ • A growing share of the middle class will get hit with a tax increase—14% in 2018 (averaging \$1,000) and 28% in 10 years (averaging \$1,300).⁵ 	<p><u>\$5.8 TRILLION: HOUSE BUDGET CUTS TO MEDICARE, MEDICAID, EDUCATION AND OTHER PUBLIC SERVICES</u>⁶</p> <ul style="list-style-type: none"> • Cuts \$500 billion from Medicare and \$1.5 trillion from Medicaid and other healthcare. • Cuts \$500 billion from school meals, tax credits for working families, and Supplemental Security Income (SSI), which benefits 8.2 million disabled seniors, adults, and children with limited incomes.⁷ • Cuts \$150 billion from nutrition assistance, primarily SNAP, or food stamps. • Cuts Pell Grants that help working families afford college by \$75 billion; cuts up to \$120 billion for student loans.⁸
<p><u>\$2 TRILLION CORPORATE TAX RATE CUT</u>⁹</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.¹⁰ • Corporate profits are at highs not seen since the 1950s, while corporate taxes are at record lows.¹¹ 	<p><u>\$2.9 TRILLION CUT TO SERVICES LIKE MEDICAID, FOOD STAMPS & PELL GRANTS</u>¹²</p> <ul style="list-style-type: none"> • These services experience half the \$5.8 trillion in budget cuts even though they represent only about a quarter of non-defense spending. They would: <ul style="list-style-type: none"> • Be cut by about 36% in the final year of the 10-year budget plan. • Fall to their lowest level of spending as a share of the economy in 50 years.
<p><u>\$1.2 TRILLION TAX CUT FROM CHANGING INCOME TAX RATES</u>¹³</p> <ul style="list-style-type: none"> • 7 tax brackets reduced to three: 12%, 25%, 35%. • Increases lowest tax bracket from 10% to 12%—a 20% jump. Lowers top tax bracket for wealthy by almost 12%—from 39.6% to 35%. • Tax increases on the middle-class grow with time and dwarf those on the rich. Share of middle-income people hit by a tax increase <i>doubles</i> from 14% in 2018 to 28% ten years later. The top 1% facing a tax increase <i>drops</i> from 10.7% to 9.8%.¹⁴ 	<p><u>\$1.5 TRILLION CUT TO MEDICAID AND OTHER HEALTH CARE SERVICES</u>¹⁵</p> <ul style="list-style-type: none"> • Includes repeal of Affordable Care Act, which would take health care away from 23 million people.¹⁶ • Makes additional cuts to Medicaid on top of the cuts from ACA repeal, including \$110 billion from imposing work requirements for Medicaid recipients.¹⁷

<p style="text-align: center;">TRUMP-GOP TAX CUTS (Tax Cuts Over 10 Years)</p>	<p style="text-align: center;">HARM TO WORKING FAMILIES (House Budget Cuts Over 10 Years)</p>
<p style="text-align: center;"><u>\$770 BILLION TAX CUT FOR HEDGE FUND MANAGERS, CORPORATE LAWYERS & TRUMP</u>¹⁸</p> <ul style="list-style-type: none"> • Slashes top tax rate on business owners from 39.6% to 25%, helping wealthy hedge fund managers, corporate lawyers, and real estate developers like Trump. • Sold as a small business tax cut, but just <u>14% of business owners</u>¹⁹ and only <u>4% of all taxpayers</u> would get this tax cut.²⁰ • Top 1% would get up to nearly 90% of this tax break—a tax cut of <u>\$32,500</u> each year (average).²¹ 	<p style="text-align: center;"><u>\$487 BILLION CUT TO MEDICARE</u>²²</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;"><u>POSSIBLE \$600 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 <u>about \$760 billion</u> in U.S. taxes on those profits.²³ • Trump-GOP plan would cut the tax owed by an unspecified amount. Based on earlier proposals, the plan would likely cut the tax bill to just <u>\$160 billion</u>—a \$600 billion tax break.²⁴ • Corporations should instead pay what they owe, just like working families and small businesses do. 	<p style="text-align: center;"><u>\$660 BILLION CUT TO “INCOME SECURITY” PROGRAMS FOR THE POOR</u>²⁵</p> <ul style="list-style-type: none"> • In addition to the specific cuts to school meals, working family tax credits, and SSI noted above, the budget calls for further unspecified cuts to other programs in this budget category. • Housing assistance accounts for the largest share of spending in this category, and so could be a major target of cuts. • Other services in this category subject to cuts include unemployment insurance, Temporary Assistance to Needy Families (TANF), and foster care.
<p style="text-align: center;"><u>\$440 BILLION TAX CUT FROM REPEALING A MINIMUM TAX ON THE WEALTHY</u>²⁶</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 <u>cutting his taxes by \$31 million</u> in 2005, the one year for which his tax returns have been made public.²⁷ • Trump’s tax rate would have been <u>less than 4%</u> if the AMT had not been in place.²⁸ 	<p style="text-align: center;"><u>\$300 BILLION CUT TO OTHER LOW-INCOME SERVICES</u>²⁹</p> <ul style="list-style-type: none"> • This is the portion of a mandated \$1.3 trillion cut in “non-defense discretionary programs” that will likely fall on low-income programs. • Endangered services include rental assistance and job training.
<p style="text-align: center;"><u>\$240 BILLION TAX CUT FROM REPEALING TAX ON ESTATES WORTH MORE THAN \$5.5 MILLION</u>³⁰</p> <ul style="list-style-type: none"> • Repeals the estate tax, allowing Trump’s kids and other rich heirs to inherit fortunes tax-free. • Estate tax is only paid by <u>estates worth at least \$5.5 million</u>.³¹ • Just <u>2 out of every 1,000 estates</u>³² owes any tax—or only <u>5,500 estates</u> in all of 2017.³³ 	<p style="text-align: center;"><u>\$150 BILLION CUT TO NUTRITION ASSISTANCE</u>³⁴</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 <u>cut by 40%</u>. • SNAP feeds more than <u>42 million</u>,³⁵ including <u>1 in 4 children</u>.³⁶

Endnotes

- ¹ Tax Policy Center (TPC), “A Preliminary Analysis of the Unified Framework” (Sept. 29, 2017). http://www.taxpolicycenter.org/sites/default/files/publication/144971/a_preliminary_analysis_of_the_unified_framework_0.pdf
- ² *Ibid.*, p. 2 and Table 1.
- ³ *Ibid.* p. 7, Table 1. The net business tax cut of \$2.648 trillion is made up of \$3.041 trillion in tax cuts that are partially offset by \$393 billion in revenue raisers. \$2.949 trillion in tax cuts for individuals (including the estate tax cut of \$240 billion) are nearly fully paid for with \$3.182 billion in new revenue.
- ⁴ *Ibid.*, p. 13, Table B1.
- ⁵ *Ibid.*, pp. 9-10, Tables 2 and 3. “Middle class” is defined as those in the “Middle quintile” of each table.
- ⁶ 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>
- ⁷ Social Security Administration (SSA), “Monthly Statistical Snapshot, June 2017” (July 2017), Table 3. https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/
- ⁸ CBPP, “House GOP Budget,” p. 4.
- ⁹ TPC, “Preliminary Analysis,” p. 7, Table 1. Corporate rate cut includes repealing the corporate Alternative Minimum Tax (AMT).
- ¹⁰ TPC, “Would Workers Benefit from A Corporate Tax Cut? Not Much” (Sept. 8, 2017). <http://www.taxpolicycenter.org/taxvox/would-workers-benefit-corporate-tax-cut-not-much>
- ¹¹ 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. Estimates are 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/>
- ¹² CBPP, “House GOP Budget.”
- ¹³ TPC, “Preliminary Analysis,” p. 7, Table 1.
- ¹⁴ *Ibid.*, p. 9, Table 2. “Middle class” is defined as those in the “Middle quintile” of the table.
- ¹⁵ CBPP, “House GOP Budget,” p. 4.
- ¹⁶ 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>
- ¹⁷ CBPP, “House GOP Budget,” p. 4.
- ¹⁸ TPC, “Preliminary Analysis,” p. 7, Table 1. See “Limit individual tax rate on pass-through income to 25%.” This estimate includes revenue lost to high-paid employees re-characterizing their salaries as business income.
- ¹⁹ TPC, “T17-0078 - Sources of Flow-Through Business Income by Statutory Marginal Tax Rate; Current Law, 2017” (March 2017). <http://www.taxpolicycenter.org/model-estimates/distribution-business-income-march-2017/t17-0078-sources-flow-through-business>
- ²⁰ TPC, “Options to Reduce the Taxation of Pass-through Income” (May 15, 2017), p. 8. <http://www.taxpolicycenter.org/sites/default/files/publication/141541/options-to-reduce-the-taxation-of-pass-through-income.pdf>
- ²¹ *Ibid.*
- ²² CBPP, “House Budget Cuts, Restructures Medicare.” <https://www.cbpp.org/blog/house-budget-cuts-restructures-medicare>
- ²³ Institute on Taxation and Economic Policy, “Fortune 500 Companies Hold a Record \$2.6 Trillion Offshore” (March 2017). <http://www.itep.org/pdf/pre0327.pdf>
- ²⁴ TPC, “Preliminary Analysis,” p. 7, Table 1. See “One-time deemed repatriation tax at reduced rates.”
- ²⁵ CBPP, “House GOP Budget,” p. 4.
- ²⁶ TPC, “Preliminary Analysis,” p. 7, Table 1. See “Repeal individual alternative minimum tax.”
- ²⁷ 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>
- ²⁸ NYT, “A.M.T., Which Hit Trump in 2005, Is No One’s Favorite” (March 15, 2017). <https://www.nytimes.com/2017/03/15/business/economy/trump-alternative-minimum-tax.html>
- ²⁹ CBPP, “House GOP Budget,” p. 5.
- ³⁰ TPC, “Preliminary Analysis,” p. 7, Table 1. See “Repeal estate and GST taxes.”
- ³¹ 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>
- ³² *Ibid.*
- ³³ TPC, “Briefing Book: Who pays the estate tax?” <http://www.taxpolicycenter.org/briefing-book/who-pays-estate-tax>
- ³⁴ CBPP, “House GOP Budget,” p. 4.
- ³⁵ 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>
- ³⁶ CBPP, “SNAP Helps Millions of Children” (April 26, 2017). <https://www.cbpp.org/research/food-assistance/snap-helps-millions-of-children>