



TRUMP-GOP TAX PLAN & SENATE BUDGET PLAN COMPARISON

SUMMARY TABLE

TRUMP-GOP TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (Senate 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: 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>
<p>\$2 trillion corporate tax rate cut</p>	<p>\$4.1 trillion cut to Medicare, Medicaid and other "mandatory" programs</p>
<p>\$1.2 trillion tax cut from changing individual income tax rates mostly benefitting the rich</p>	<p>\$1.3 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 that run pass-through businesses</p>	<p>\$800 billion cut to education, medical research, job training, housing, EPA, infrastructure and other non-defense "discretionary" services</p>
<p>Possible \$600 billion tax break on untaxed corporate profits now offshore</p>	<p>\$653 billion cut to "income security" programs for low-income families</p>
<p>\$440 billion tax cut from repealing a minimum tax (AMT) on the wealthy that will benefit Trump</p>	<p>\$473 billion cut to Medicare</p>
<p>\$240 billion tax cut from repealing tax on estates worth \$5.5 million or more, which will benefit Trump's family</p>	<p>\$200 billion cut to education, job training, and social services</p>



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Except where noted, tax cost estimates from [Tax Policy Center](#) (9/29/17)¹ and spending cuts from [Center on Budget and Policy Priorities](#) (10/3/17).²

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 Senate budget resolution that passed in the Senate on October 19 and was approved by the House on October 26.

TRUMP-GOP TAX CUTS (Tax Cuts Over 10 Years)	HARM TO WORKING FAMILIES (Senate 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>³</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.⁴ 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"> • 53% of tax cuts in 2018 and 80% in 10 years • \$129,000 tax cut in 2018 and \$207,000 in 10 years (averages)⁵ • 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).⁶ 	<p><u>\$5.8 TRILLION: TOTAL SENATE BUDGET CUTS TO MEDICARE, MEDICAID, EDUCATION & OTHER PUBLIC SERVICES</u>⁷</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>\$2 TRILLION CORPORATE TAX RATE CUT</u>⁸</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.⁹ • Corporate profits are at highs not seen since the 1950s, while corporate taxes are at record lows.¹⁰ 	<p><u>\$4.1 TRILLION CUT TO MEDICARE, MEDICAID & OTHER "MANDATORY" PROGRAMS</u>¹¹</p> <ul style="list-style-type: none"> • A big part of the federal budget is "mandatory" spending on programs—like Medicare and Medicaid—that serve all who qualify. • Cuts to these programs take the form of restricted eligibility, reduced payments to providers, and other changes that reduce care.
<p><u>\$1.2 TRILLION TAX CUT FROM CHANGING INCOME TAX RATES</u>¹²</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%.¹³ 	<p><u>\$1.3 TRILLION CUT TO MEDICAID & OTHER HEALTH CARE SERVICES</u>¹⁴</p> <ul style="list-style-type: none"> • Cuts Medicaid by \$1 trillion.¹⁵ • The rest of the cuts would come from other health care services besides Medicare, primarily Affordable Care Act (ACA) subsidies.¹⁶ • Senate budget resolution would facilitate substantial repeal of the ACA as part of a tax cut package.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 (Senate 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 “pass-through” 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 14% of business owners¹⁹ and only 4% of all taxpayers would get this tax cut.²⁰ • Top 1% would get up to nearly 90% of this tax break—a tax cut of \$32,500 each year (average).²¹ 	<p style="text-align: center;"><u>\$800 BILLION CUT TO EDUCATION, MEDICAL RESEARCH, JOB TRAINING, HOUSING, EPA, INFRASTRUCTURE & OTHER NON-DEFENSE “DISCRETIONARY” SERVICES</u>²²</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.²³
<p style="text-align: center;"><u>POSSIBLE \$600 BILLION TAX BREAK ON CORPORATE PROFITS NOW OFFSHORE</u>²⁴</p> <ul style="list-style-type: none"> • American corporations have \$2.6 trillion in profits stashed offshore. They owe about \$760 billion in U.S. taxes on those profits.²⁵ • 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 \$160 billion—a \$600 billion tax break.²⁶ • Corporations should instead pay what they owe, just like working families and small businesses do. 	<p style="text-align: center;"><u>\$650 BILLION CUT TO “INCOME SECURITY” PROGRAMS FOR LOW-INCOME FAMILIES</u>²⁷</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.²⁸ • Unemployment insurance, foster care, Temporary Assistance to Needy Families (TANF).
<p style="text-align: center;"><u>\$440 BILLION TAX CUT FROM REPEALING A MINIMUM TAX ON THE WEALTHY</u>²⁹</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.³⁰ • Trump’s tax rate would have been less than 4% if the AMT had not been in place.³¹ 	<p style="text-align: center;"><u>\$470 BILLION CUT SPECIFICALLY TO MEDICARE</u>³²</p> <ul style="list-style-type: none"> • Despite assurances from President Trump that Medicare would not be cut, the Senate budget cuts Medicare by \$473 billion—very similar to the \$487 billion cut³³ in the House budget resolution that passed Oct. 5.³⁴ • Medicare currently covers about 58 million seniors and disabled people though original Medicare and Medicare advantage plans.³⁵
<p style="text-align: center;"><u>\$240 BILLION TAX CUT FROM REPEALING TAX ON ESTATES WORTH MORE THAN \$5.5 MILLION</u>³⁶</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 paid only by estates worth \$5.5 million or more.³⁷ • Just 2 out of every 1,000 estates³⁸ owes any tax—or only 5,500 estates in all of 2017.³⁹ 	<p style="text-align: center;"><u>\$200 BILLION CUT TO EDUCATION, JOB TRAINING, & SOCIAL SERVICES</u>⁴⁰</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

- 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 Center on Budget and Policy Priorities (CBPP), “Proposed Senate Budget Is Likely to Leave Millions of Americans Worse Off” (Oct. 3, 2017). <https://www.cbpp.org/sites/default/files/atoms/files/10-3-17tax.pdf>
- ³ TPC, “Preliminary Analysis,” p. 2 and p. 7, Table 1.
- ⁴ *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 fully paid for with \$3.182 billion in new revenue.
- ⁵ *Ibid.*, p. 13, Table B1.
- ⁶ *Ibid.*, pp. 9-10, Tables 2 and 3. “Middle class” is defined as those in the “Middle quintile” of each table.
- ⁷ CBPP, “Proposed Senate Budget,” p. 2.
- ⁸ TPC, “Preliminary Analysis,” p. 7, Table 1. Corporate rate cut includes repealing the corporate Alternative Minimum Tax (AMT).
- ⁹ 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>
- ¹⁰ 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/>
- ¹¹ CBPP, “Proposed Senate Budget,” p. 2.
- ¹² TPC, “Preliminary Analysis,” p. 7, Table 1.
- ¹³ *Ibid.*, pp. 9-10, Tables 2 & 3. “Middle class” is defined as those in the “Middle quintile” of the table.
- ¹⁴ CBPP, “Proposed Senate Budget,” p. 5.
- ¹⁵ Senate Budget Committee Minority Staff, “Republican Budget Priorities: Tax Breaks for Millionaires, Cuts to Medicare and Medicaid.” <http://www.politico.com/ff/?id=0000015e-e710-ddab-a57f-ef54f67a0000>
- ¹⁶ CBPP, “Proposed Senate Budget,” p. 5
- ¹⁷ Center for American Progress, “3 Ways the Senate Budget Reopens the Door for ACA Repeal” (Sept. 29, 2017). <https://www.americanprogress.org/issues/economy/news/2017/09/29/440039/3-ways-senate-budget-reopens-door-aca-repeal/>
- 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, “Proposed Senate Budget,” p. 2.
- ²³ Senate Budget Committee Minority Staff, p. 2.
- ²⁴ Americans for Tax Fairness, “Worst Features of Trump-GOP Tax Plan,” p. 2. <https://americansfortaxfairness.org/wp-content/uploads/ATF-Worst-Features-of-Trump-Ryan-Tax-Plan-FINAL-10-2-17.pdf>
- ²⁵ 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>
- ²⁶ TPC, “Preliminary Analysis,” p. 7, Table 1. See “One-time deemed repatriation tax at reduced rates.”
- ²⁷ CBPP, “Proposed Senate Budget,” pp. 5-6.
- ²⁸ Social Security Administration, “Monthly Statistical Snapshot, August 2017” (Sept. 2017), Table 3. https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/
- ²⁹ TPC, “Preliminary Analysis,” p. 7, Table 1. See “Repeal individual alternative minimum tax.”
- ³⁰ *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>
- ³¹ 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>
- ³² CBPP, “Proposed Senate Budget,” p. 6.
- ³³ CBPP, “House Budget Cuts, Restructures Medicare” (July 21, 2017). <https://www.cbpp.org/blog/house-budget-cuts-restructures-medicare>
- ³⁴ *The Washington Post*, “House Passes 2018 Budget, Taking a Crucial Step Toward Tax Overhaul” (Oct. 5, 2017). https://www.washingtonpost.com/powerpost/house-passes-2018-budget-taking-a-crucial-step-toward-tax-overhaul/2017/10/05/5ea7294e-a9d1-11e7-850e-2bdd1236be5d_story.html?utm_term=.909eb404f234

³⁵ Centers for Medicare and Medicaid Services, "Medicare Enrollment Dashboard" (July 2017). <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Dashboard/Medicare-Enrollment/Enrollment%20Dashboard.html>

³⁶ TPC, "Preliminary Analysis," p. 7, Table 1. See "Repeal estate and GST taxes."

³⁷ 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>

³⁸ *Ibid.*

³⁹ TPC, "Briefing Book: Who pays the estate tax?" <http://www.taxpolicycenter.org/briefing-book/who-pays-estate-tax>

⁴⁰ CBPP, "Proposed Senate Budget," p. 6.