



## 13 TERRIBLE THINGS ABOUT THE HOUSE REPUBLICAN TAX PLAN

As of Nov. 19, 2017

- 1. Showers most of the tax cuts on the richest 1% of taxpayers.** They would get nearly half (47%) of the tax cuts in 10 years—a [tax cut of \\$62,000](#) on average. [Tax Policy Center (TPC)]
- 2. Makes 36 million middle-class families pay more in taxes.** [One-quarter of households](#) would pay more in taxes in 10 years because the tax plan repeals or limits deductions these families rely on. Out of a total of 45 million families paying more, [36 million are of low- or middle-income](#). Three in 10 families earning \$55,000 to \$93,000 will see a \$1,230 tax *increase* on average. [TPC]
- 3. Gives 75% of the tax cuts to wealthy corporations and businesses.** [Joint Committee on Taxation (JCT)]
- 4. Puts corporations over healthcare.** Corporate tax rate is slashed from 35% to 20%, losing [\\$1.5 trillion](#)—equal to the [Medicare and Medicaid](#) cuts in the Republican budget. [JCT and Center on Budget and Policy Priorities (CBPP)]
- 5. Puts Wall Street over seniors.** Wealthy business owners and investors—including real estate developers like Donald Trump—get a [\\$597 billion](#) tax cut from the drop (from 39.6% to 25%) in the top tax rate for “pass-through” business income. The Republican budget [cuts Medicare by \\$473 billion](#). (Pass-throughs include partnerships, S corporations and sole proprietorships, and their owners pay taxes at the individual rate.) [JCT and CBPP]
- 6. A real jobs killer.** By eliminating taxes on some foreign profits and slashing the tax rate on others far below the U.S. rate, the plan encourages multinational corporations to outsource more jobs and shift more profits offshore.
- 7. Hands a \$450 billion tax cut to offshore tax dodgers.** American corporations have \$2.6 trillion in profits stashed offshore on which they [owe \\$750 billion in U.S. taxes](#). Rather than make them pay what they owe, like all the rest of us do, the tax plan will charge them only [\\$293 billion](#)—nearly a half-trillion-dollar discount. [Institute on Taxation and Economic Policy (ITEP) and JCT]
- 8. Repeals the deduction for state and local income and sales taxes (SALT).** One-third of taxpayers making \$50-75,000 use this deduction, as do [half of those making \\$75-100,000](#). While the plan will still allow taxpayers to deduct up to \$10,000 in property taxes, it will [cut SALT deductions by 88%](#), leading to tax increases for many in the middle class. Eliminating SALT will [put pressure on state/local budgets](#), likely forcing cuts to education, health care, and infrastructure. [Government Finance Officers Assoc., ITEP and CBPP]

- 9. Helps Donald Trump pay less.** The plan repeals the alternative minimum tax (AMT), losing almost [\\$700 billion](#). Without the AMT, Trump would have paid just a [4% tax rate](#) on \$153 million in income one year. But thanks to the AMT, [he paid \\$38 million](#) for a tax rate of 25%. [JCT and New York Times]
- 10. Lets Ivanka and her siblings save billions.** The estate tax is repealed after six years, [losing \\$150 billion](#). The Republican budget cuts education, job training and social services by [\\$200 billion](#). Under the tax bill only estates worth at least \$11 million would pay the estate tax. If Trump is worth the \$10 billion he claims, his heirs could inherit billions tax free. [JCT, CBPP]
- 11. Harms families with large medical bills.** The plan repeals the deduction families can take for out-of-pocket medical expenses, which [mostly benefits the middle class](#). For families with very high medical costs, the plan's higher standard deduction will not compensate for the loss of the medical expense deduction, which is claimed by [nearly 9 million families](#). [Center for American Progress]
- 12. Breaks Trump's promise to close the "carried interest" loophole.** Remember when candidate Trump [promised to get rid of this loophole](#) that primarily benefits private equity fund managers? The House plan keeps it in place. [New York Times]
- 13. Adds \$1.4 trillion to the national debt.** The plan includes [\\$1.4 trillion in tax cuts](#) that are not paid for by closing loopholes used by the wealthy and corporations. This will balloon the deficit and further endanger funding for Social Security, Medicare, Medicaid, public education and more. [JCT]