

## 132 NATIONAL ORGANIZATIONS OPPOSE “ROUND 2” OF TRUMP-GOP TAX CUTS TO STOP ANOTHER MASSIVE GIVEAWAY TO THE WEALTHY

June 12, 2018

Dear Member of Congress:

We urge you to reject any so-called “Round 2” of tax cuts from President Trump and Republicans in Congress like those enacted last year, which once again would primarily benefit wealthy Americans and could end up costing close to \$800 billion over the next decade and much more over the long-term. The richest Americans do not need another massive tax cut; they and America’s corporations need to start paying their fair share, so we have the resources needed to protect Social Security, Medicare and Medicaid and to invest in education, infrastructure and many more services working families and communities need to thrive.

The original Tax Cuts and Jobs Act (TCJA) bestows most of its benefits on the wealthy and large corporations. Its [\\$1.9 trillion cost](#), according to the Congressional Budget Office (CBO), will vastly enlarge the federal debt and be used as an excuse for conservatives to enact deep cuts to Social Security, Medicare, Medicaid, education and other vital public services that tens of millions of people rely on—mostly seniors, children, women, and people with disabilities. Extending or expanding the law’s existing provisions will likewise primarily enrich the already wealthy while further threatening essential services and investments.

The most [frequently mentioned](#) component of a Round 2 is the permanent extension of individual tax breaks currently scheduled to expire at the end of 2025. Even though they do not include TCJA’s tax cuts for corporations, which were made permanent in the law, they are still heavily slanted toward the rich. That is because they include major tax breaks that mostly or exclusively benefit high-income taxpayers: the reduction in the top individual income tax rate that exclusively affects the tiny percentage of people with annual [income above \\$500,000](#) (\$600,000 for couples), the special new deduction for individuals owning so-called “pass-through” business entities, the tax cuts for multi-million-dollar estates (which doubled the amount of a couples’ assets exempt from the estate tax from \$11 million to \$22 million), and the increase in the amount of income exempt from the Alternative Minimum Tax (AMT).

The Institute on Taxation and Economic Policy (ITEP) [has determined](#) that 43% of the tax benefits of extending these expiring TCJA provisions would go to the wealthiest 5% (incomes above \$290,000). The bottom 60% (incomes below \$81,000) would get only 19% of the tax benefits. Therefore, the extension of TCJA’s individual provisions is not a middle-class-focused tax cut but rather another benefit for the wealthy.

In particular, the pass-through deduction, which loses \$265 billion and reduces individuals' taxes on their business income, has been misleadingly sold as a "small business" tax cut, but most of the benefits flow to wealthy business owners (such as President Trump) and wealthy investors. In 2024, [61% of the benefits will go to the wealthiest 1%](#) of pass-through business owners, while just 4% will go to the bottom two-thirds, including the solo practitioners and proprietors of Main Street shops that truly personify "small business," according to the Center on Budget and Policy Priorities. The pass-through deduction is already being used by people who can afford highly-paid tax lawyers and accountants, while its byzantine rules increase the complexity faced by actual small businesses' tax compliance. Extension of this special pass-through deduction would perpetuate these skewed benefits and sources of unfairness.

In addition to the \$1.9 trillion cost of the TCJA, CBO estimates extending the expiring individual tax provisions (including those affecting pass-through businesses) would [cost an additional \\$650 billion over the next decade](#), with the costs exploding over time. If one of the few expiring business-tax provisions—full expensing—is also made permanent (as has been suggested by conservatives) the added ten-year cost would grow by another \$122 billion.

To reduce the large increase in debt caused by the tax cuts, President Trump has proposed [slashing \\$1.7 trillion](#) from Medicare, Medicaid, food stamps, housing assistance, assistance for people with disabilities, environmental protection, tuition aid and dozens of other important services. Round 2 tax cuts would give conservatives an excuse for still deeper cuts.

America cannot afford the Trump-GOP tax cuts benefitting the rich and corporations, and we sure cannot afford a Round 2 that puts the interests of the wealthy over everyone else while maintaining a lower tax rate on income earned from wealth compared to wages and salaries. We urge you to oppose an extension of TCJA tax cuts and instead support legislation to ensure that the wealthy and large profitable corporations pay their fair share so that we have the revenue needed to invest in our families and communities to strengthen public education, fix infrastructure, make healthcare more affordable, assist families in need of affordable childcare, housing, nutrition and other basics, and provide a secure retirement with dignity.

Sincerely,

9to5, National Association of Working Women

AFL-CIO

African American Health Alliance

Alliance for Retired Americans

Alliance of Baptists

Amalgamated Transit Union

American Family Voices

American Federation of Government Employees (AFGE)

American Federation of Musicians of the United States and Canada

American Federation of State, County and Municipal Employees (AFSCME)

American Federation of Teachers

American Medical Student Association  
American Postal Workers Union  
Americans for Democratic Action (ADA)  
Americans for Tax Fairness  
Campaign for America's Future  
Caring Across Generations  
Center for American Progress  
Center for Community Change Action  
Center for Law and Social Policy  
Center for Medicare Advocacy  
Center for Popular Democracy  
Children's Advocacy Institute  
Children's Defense Fund  
Children's Leadership Council  
Coalition of Labor Union Women  
Coalition on Human Needs  
Communications Workers of America  
Congregation of Our Lady of Charity of the Good Shepherd, US Provinces  
Courage Campaign  
Daily Kos  
Department for Professional Employees, AFL-CIO  
Doctors for America  
Economic Policy Institute Policy Center  
Ecumenical Poverty Initiative  
Endangered Species Coalition  
Faith in Action  
Faith in Public Life  
Forum for Youth Investment  
Friends of the Earth  
Global Justice Institute, Metropolitan Community Churches  
Global Policy Solutions  
Health Care for America Now  
HEAR US Inc.  
Hip Hop Caucus  
Holy Spirit Missionary Sisters, USA-JPIC  
Indivisible  
Institute for Policy Studies - Program on Inequality  
Institute on Taxation and Economic Policy  
International Association of Machinists and Aerospace Workers (IAMAW)  
International Brotherhood of Boilermakers  
International Brotherhood of Teamsters  
International Union, United Automobile, Aerospace, and Agricultural Implement Workers of  
America (UAW)  
Jobs with Justice

JPIC Committee, Passionists of North America  
Loretto Community  
Main Street Alliance  
Medical Mission Sisters Justice and Peace Office  
Mi Familia Vota  
MomsRising  
MoveOn.org  
National Advocacy Center of the Sisters of the Good Shepherd  
National Alliance of HUD Tenants  
National Asian Pacific American Families Against Substance Abuse (NAPAFASA)  
National Association of Letter Carriers (NALC)  
National Center for Lesbian Rights  
National Coalition for Asian Pacific American Community Development (National CAPACD)  
National Coalition for the Homeless  
National Committee for Responsive Philanthropy  
National Consumers League  
National Council of Gray Panthers Networks  
National Council of Jewish Women  
National Education Association  
National Employment Law Project  
National Health Law Program  
National Korean American Service & Education Consortium (NAKASEC)  
National LGBTQ Task Force Action Fund  
National Low Income Housing Coalition  
National Nurses United  
National Organization for Women  
National Partnership for Women & Families  
National Physicians Alliance  
National Priorities Project at the Institute for Policy Studies  
National Women's Law Center  
National Working Positive Coalition  
NETWORK Lobby for Catholic Social Justice  
Occupy AIDS  
Our Revolution  
Oxfam America  
Patriotic Millionaires  
Peace and Justice Team of Congregation of St. Joseph  
People Demanding Action  
Peoples Action Institute  
Poligon Education Fund  
Positive Women's Network-USA  
Pride at Work  
Progressive Congress Action Fund  
Prosperity Now

Public Advocacy for Kids  
Public Citizen  
Responsible Wealth  
RESULTS  
RootsAction.org  
Service Employees International Union  
Sinsinawa Dominican Peace and Justice Office  
Sisters of Divine Providence  
Sisters of Mercy South Central Community  
SMART Transportation Division  
Social Security Works  
SocioEnergetics Foundation  
Steelworkers Organization of Active Retirees  
Strategies for Youth, Inc.  
Sugar Law Center for Economic and Social Justice  
Take on Wall Street  
TASH  
Tax March  
Teach Plus  
The Advocacy Institute  
The International Federation of Professional and Technical Engineers (IFPTE)  
The John Leary Organization  
The Leadership Conference on Civil and Human Rights  
Treatment Action Group  
Turtle Island Restoration Network  
UnidosUS  
Unitarian Universalists for Social Justice (UUSJ)  
UNITE HERE  
United for a Fair Economy  
United Steelworkers (USW)  
Voices for Progress  
Working America  
Working Families Party  
Xaverian Brothers