



TAX SCAM 2 TALKING POINTS (#TAXSCAM2)

Sept. 13, 2018

- **TOPLINES: President Trump and the GOP want to double-down and pass another massive tax cut that mostly benefits the wealthy, campaign donors and big corporations, all at the expense of working families. It will cost \$3 trillion over 10 years—more than the first round of tax cuts, which cost \$2 trillion. To cover the ballooning deficit these new tax breaks will create, Trump and Republicans will demand even deeper cuts to Medicare, Medicaid, Social Security and education. Like last year’s tax cuts, these new ones will do nothing to raise workers’ wages, create good-paying jobs and reduce economic inequality. Instead, they will further rig the economy against working families and in favor of the wealthy, campaign donors and big corporations.**
 - **\$2.8-\$3 trillion:** 10-year cost of a second round of tax cuts (2026 to 2035). [\[CBPP\]](#) [\[TPC\]](#)
This is 50% more than the \$1.9 trillion cost of the first Trump-GOP tax scam. [\[CBO\]](#)
 - **\$630 billion:** cost of a second round of tax cuts in the *first three years* (2026-2028).
- **TAX CUTS = SERVICE CUTS: These new tax cuts for the wealthy, campaign donors and businesses will balloon the deficit even more than the GOP tax law enacted last year. Republicans already want to cut vital services to pay for their first tax plan (Tax Scam 1)—they will demand even deeper cuts in Medicare, Medicaid, Social Security and education to pay for Tax Scam 2.**
 - Weeks after the first tax cuts were enacted, Trump proposed cutting **\$1.3 trillion from Medicare, Medicaid and the Affordable Care Act** to shrink the deficit. [\[CBPP\]](#)
 - Shortly after their first round of tax cuts were signed into law, House Republicans proposed slashing \$5 trillion from critical services including: [\[CBPP\]](#)
 - **\$2 trillion from healthcare:** Medicare (\$537 billion) and Medicaid and the Affordable Care Act (\$1.5 trillion).
 - Food for families (\$157 billion from SNAP, formerly food stamps); veterans’ benefits (\$59 billion); transportation and infrastructure (\$317 billion).
- **TAX FAIRNESS: A second round of tax cuts for the wealthy will give them another huge windfall they don’t deserve. The richest 1% are already getting 83% of the tax cuts from the first round of tax cuts once it is fully implemented. They don’t need any more handouts at the expense of working families.**
 - The richest 1% will get a \$40,000 tax cut on average from a second round of tax breaks. Bottom 40% (incomes below \$55,000) would get an average tax cut of \$285—less than \$1 a day. [\[TPC\]](#)
 - The richest one-fifth of Americans will get 65% of the tax cuts, the middle fifth will get 10%, and the poorest fifth will get just 2%. [\[ITEP\]](#)
 - Instead, we should make sure the rich and corporations pay their fair share of taxes. We need to do this to protect critical priorities like Medicare, Medicaid, Social Security and education. We need to invest in our families and communities by strengthening public education, rebuilding infrastructure, making health care more affordable, and providing a secure retirement.

- CORPORATE TAX CUTS & WAGES: The first round of the Trump-GOP tax cuts has not raised workers' wages, created good-paying jobs or reduced inequality. Once again, the claim that tax cuts for the wealthy and corporations will trickle down to working families has been proven false.**

 - Working families have not received the \$4,000 raise, or anything close to it, that Trump promised them if corporations got the massive tax breaks included in Tax Scam 1.
 - Just 4% of workers have gotten a one-time bonus or wage hike from the Trump tax cuts. And few if any approach \$4,000. [[Americans for Tax Fairness \(ATF\)](#)]
 - Over the last year when the Trump-GOP tax cuts kicked in, workers' wages have been stagnant after inflation due to the rising cost of prescription drugs, health insurance and gasoline. [[ATF](#)]
 - Since the tax law passed, corporations have announced 100 times more in stock buybacks than they are giving in worker bonuses or raises connected to the tax cuts—\$712 billion in buybacks vs. \$7 billion in wage hikes. Stock buybacks overwhelmingly benefit CEOs and wealthy shareholders. [[ATF](#)]
 - Thanks to the massive corporate tax cuts, corporate profits are soaring while corporate tax payments to the Treasury are plummeting—by nearly half over the last year. [[ATF](#)]
- RIGGED SYSTEM: Another round of tax cuts will rig the economy even further in favor of the wealthy and powerful: CEOs and Wall Street billionaires, drug companies and big banks. We should not give more tax breaks to rich CEOs and stockholders while millions of families are still struggling to get by. We need to re-write the rules to make the economy and the tax system work for working families, not just the powerful and privileged.**

 - Trump and the GOP gave drug and health insurance companies billions in new tax breaks last year, and those companies keep raising drug prices and insurance premiums.
 - The nation's six biggest Wall Street banks will save a total of \$12 billion in taxes this year from the Trump-GOP tax cuts. That's enough money to give every one of the nation's 3.2 million teachers a \$3,800 pay raise. [[ATFAF](#)]
 - The billionaire Koch Brothers got a billion-dollar-a-year tax cut from Trump and the GOP. And as a thanks, they are spending \$400 million this year to elect Republicans to protect their tax handout. [[ATF](#)]
 - 53 Republican members of Congress who voted for Tax Scam 1 could get an average tax cut of \$280,000 from a special tax loophole in that law allowing for the deduction of business income. [[Center for American Progress Action Fund](#)]
 - More than [7,000 corporate lobbyists](#) helped pass the Trump-GOP tax cuts last year—over 60% of all registered lobbyists. [[Public Citizen](#)]
- SOLUTIONS: We need to fix the tax system to benefit working families—not give a second round of tax breaks to the wealthy. Congress should repeal the Trump-GOP tax cuts for the wealthy and big corporations. They need to start paying their fair share of taxes, so we can protect Medicare, Medicaid and Social Security, and have the money needed for education, infrastructure and other job-creating investments.**