

HIGHLIGHTS OF #TAXSCAM2

As of Sept. 13, 2018

The costs of #TaxScam2 could be \$3 trillion over 10 years—that's more than TaxScam1, which cost about \$2 trillion. To deal with the ballooning deficit caused by TaxScam1:

- **Trump proposed slashing \$1.3 trillion from Medicare, Medicaid and the Affordable Care Act (ACA)** [[Center on Budget and Policy Priorities](#) (CBPP)]
- **House Republicans proposed slashing \$2 trillion from Medicare, Medicaid and the ACA** [[CBPP](#)]. They also proposed \$3 trillion in other cuts, including to:
 - Food for families (\$157 billion from SNAP)
 - Veterans benefits (\$59 billion)
 - Transportation and infrastructure (\$317 billion)

TaxScam1 also robbed the ACA of more than \$300 billion to help pay for tax cuts for price-gouging drug companies and health insurers. As a result:

- 8 million people will lose health coverage. [[Brookings Institution](#)]
- ACA health plan insurance premiums will spike 10%, on average, most years for the next decade, adding \$2,000 to a typical family's insurance bill. [[Center for American Progress](#)]
- Premium increases will be even steeper for older adults, creating in effect an "age tax." The average 64-year-old individual could face a \$1,500 premium hike. [[AARP](#)]

COST & DISTRIBUTION OF #TAXSCAM2

- **Cost: \$2.8 to \$3 trillion over 10 years—2026 to 2035 (not counting an expected corporate tax cut on new investments).** The cost is \$630 billion over the first three years. [[CBPP](#)] [[Tax Policy Center](#), TPC]
- **Tax cut for richest 1%: \$40,000 on average.** Bottom 40% (incomes below \$55,000) would get an average tax cut of \$285—less than \$1 a day. [[TPC](#)]
- **Distribution:** Richest fifth would get 65% of the tax cuts; middle fifth would get 10%; poorest fifth would get 2% [[ITEP](#)]

TAX POLICY CHANGES

#TaxScam2 will likely make permanent individual provisions of TaxScam1 that expire in 2025:

- Cuts in personal income tax rates
- Increases in the standard deductions, and the elimination of the personal exemption
- 20% deduction for pass-through business income, which mostly benefits the richest 1%
- Doubling value of estates & gifts exempted from tax (from \$11 to \$22 million a couple)
- Increasing the amount of income exempt from the Alternative Minimum Tax; the AMT ensures that wealthier taxpayers pay more in taxes than they would due to loopholes
- Expansions of the child tax credit
- Cap on the State and Local Tax (SALT) deduction and limitation to the mortgage interest deduction—these are tax increases