



## **MEDIA BACKGROUNDER**

To: Reporters, Editors and Columnists  
From: Frank Clemente, Executive Director  
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### **HOW DO 'DEFICIT HAWKS' EXPLAIN THEIR VOTES FOR TAX CUTS ADDING \$5 TRILLION TO THE NATIONAL DEBT?**

*ATF Releases Media Briefing Book & Questions for Candidates in 2018 Campaign*

WASHINGTON, D.C. – In Congress, Rep. Rod Blum (R-IA) is an original cosponsor of a [resolution declaring the national debt “a threat to national security.”](#) On her [website](#), Rep. Mimi Walters (R-CA) says, “Our national debt is not only a threat to our financial security it is also a threat to our national security.” On his [website](#), Rep. Erik Paulsen (R-MN) says, “It’s time Washington recognizes the enormous threat our national debt is to our economic prosperity as a nation.”

Yet, last December, all three representatives, along with most of their Republican colleagues, [voted for the Trump-GOP tax cuts](#) for the wealthy and big corporations that will add \$1.9 trillion to the national debt over the next 10 years, according to the [Congressional Budget Office](#). Then last month [they voted for a second round of tax cuts](#) that will [add more than \\$3 trillion to the debt](#) for the first decade after taking effect in 2026. (The voting record for U.S. senators on the Trump-GOP tax law is [available here](#).)

Americans for Tax Fairness has prepared [a media briefing book](#) providing more details on these and other tax issues as the midterm elections approach. Referencing authoritative sources and government data, the briefing book fully explains the Trump-GOP tax cut law passed in December and the second round of tax cuts that were voted on in the U.S. House on Sept. 28. We have also prepared a couple of reports on the effects of the tax cuts and budget cuts in individual states:

- [Health Care Under Attack: Medicare, Medicaid & ACA Threatened by Trump-GOP Tax Cuts](#)
- [Trump-GOP Tax Cuts Round 2: A Bad Deal](#)

The full briefing book is available [HERE](#).

Most of those tax cuts approved by the Republican-controlled Congress benefit the wealthy and corporations, according to the non-partisan Tax Policy Center for the [first tax cuts](#), and the [Institute on Taxation and Economic Policy](#) for [the second round](#).

On the other side of the budget ledger, President Trump proposed a budget a couple of months after the tax law passed that would have cut **\$1.3 trillion from Medicare, Medicaid and the Affordable Care Act** to shrink the deficit, according to the [Center on Budget and Policy Priorities](#) (CBPP). Shortly after, House Republicans proposed [slashing \\$5 trillion from critical services](#) including:

- **\$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).

The president's top economic advisor, Larry Kudlow, said last month that the administration is likely to [wage a campaign for entitlement cuts in 2019](#) to reduce the deficit the tax cuts have ballooned.

The attack on the Affordable Care Act (ACA) has been particularly pernicious. The Trump-GOP tax law guts an ACA requirement for individuals to buy health coverage if they can afford it, with the government subsidizing low-income families. The change [saves the government \\$314 billion](#), according to the Joint Tax Committee, money being used to partially pay for tax cuts mostly benefitting the wealthy and big corporations, including very profitable drug companies and health insurers. By repealing this critical part of the ACA, the tax law will cause:

- 8 million Americans to lose health care coverage per the [Brookings Institution](#).
- ACA insurance premiums to spike by 10%, on average, most years for the next decade, per the [Congressional Budget Office](#).
- Even steeper premium increases for older adults - in effect, an "age tax." The average 64-year-old could face a \$1,500 premium hike, [according to the AARP](#).

To learn how U.S. representatives in your media market voted on the ACA, [go here](#). The Senate vote is [here](#).

While pushing for his tax cuts, [President Trump promised](#) that corporations would use their 40% tax cut to give working families a \$4,000 raise. Tax rates were slashed from 35% to 21% on domestic profits [and to half that rate on offshore profits](#), giving corporations even more incentives to shift jobs and production offshore than they had before.

But just [4.4% of America's, 155 million workers](#), have received a one-time bonus or pay raise from the tax cuts, according to a comprehensive database maintained by Americans for Tax Fairness. Moreover, last year's tax cuts have not improved wages. Real (inflation adjusted) [wages have been flat](#) for all employees from August 2017 to August 2018, per the latest Bureau of Labor Statistics data.

Instead, corporations are mostly using their tax cuts for stock buybacks, which are [expected to reach \\$1 trillion this year alone](#) and [largely benefit wealthy shareholders](#) and CEOs. Since the tax law passed, corporations have announced [106 times more in stock buybacks](#) than they are giving in worker bonuses or raises connected to the tax cuts—\$750 billion in buybacks vs. \$7 billion in wage hikes. The full list of announced stock buybacks so far can be found [HERE](#).

Below are some questions we urge you to consider asking candidates who voted in favor of one or both rounds of tax cuts:

**1. Fiscal Responsibility:** You ran for Congress claiming to be fiscally responsible and vowing to cut the deficit. But the non-partisan Congressional Budget Office says the tax cuts you voted for (or your Party approved, if they opposed the tax cuts) in December will [add nearly \\$2 trillion to the national debt](#) once interest costs are included. Moreover, the second round of tax cuts you just voted for in late September (House members) will [add another \\$3 trillion to the debt](#), according to the non-partisan Tax Policy

Center. ***Why would you break your promise to be fiscally responsible by voting for these huge unpaid tax cuts, which mostly benefit the wealthy and corporations?***

**2. Tax Cuts = Service Cuts:** The two rounds of tax cuts you voted for (or your Party passed) will cost \$5 trillion. Most of those tax cuts benefit the wealthy and corporations. Yet, this year, [President Trump](#) and [House Republicans](#) have both proposed budgets that would cut trillions of dollars from Medicare, Medicaid, the Affordable Care Act, education and other vital public services to reduce the debt. ***Why should working families who depend on these services have to pay the price for these huge tax cuts? Why are deficits OK when you're voting to give tax cuts to billionaires, but very bad when it comes to healthcare for seniors, working families and people with disabilities? Will you vote to repeal the Trump-GOP tax cuts for the wealthy and make more resources available for critical needs?***

**3. Where's the \$4,000 pay raise?** President Trump promised that employers would give working families a \$4,000 pay raise thanks to his tax cuts. Only about [4.4 percent of workers](#) have gotten any kind of pay increase - mostly one-time bonuses due to the tax cuts, according to Americans for Tax Fairness. President Trump has admitted as much, saying that just [6 million \(out of 155 million U.S. workers\)](#) have gotten a pay hike. And [wages have been flat for the last year](#), after inflation. ***Isn't it time to stop claiming that tax cuts for the wealthy and corporations trickle down to average workers? Shouldn't we be investing more in services, such as rebuilding infrastructure and improving our public education system, so that the economy and wages grow at a faster rate and working families benefit more?***

The 2018 Media Briefing Book on Taxes is available for download on the [ATF website](#).

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