



MEDIA BRIEFING MEMO

To: Reporters, Editors and Columnists

From: Frank Clemente, Executive Director, Americans for Tax Fairness

Date: April 9, 2019

WHY THE WEALTHY ARE HAVING A BETTER TAX DAY THAN MOST AMERICANS

New Polling Shows Voters Believe Trump-GOP Tax Cuts Skewed to Wealthy & Corporations, Threaten Services

WASHINGTON, D.C. -- Tax returns due April 15 are the first to be filed under the Tax Cuts and Jobs Act (TCJA), which became law about 16 months ago. Recent polls continue to show that the law is opposed by more Americans than favored, most likely because it has failed to live up to the many claims President Trump and GOP lawmakers made to get it passed.

The public is aware that most of the tax cuts favored the wealthy and corporations. They were not paid for through increased economic activity but instead [ballooned the federal debt](#). To cover their nearly [\\$2 trillion cost](#), which includes the \$1.5 trillion tax cut plus interest costs on the debt, President Trump and GOP lawmakers are threatening massive cuts to critical services, including Medicare, Medicaid, education and more. Moreover, the tax cuts did not result in corporations giving working families [a \\$4,000 raise](#), as promised.

This Tax Day, we urge you to take stock of the TCJA's impact and write an editorial or column explaining it to your readers and urging Congress to go in a new direction by repealing the parts of the tax law that benefit the richest Americans and corporations and closing long-standing and expensive tax loopholes, which could raise trillions of dollars for critical new investments.

TRUMP'S TAX CUTS ARE SKEWED TO WEALTHY & CORPORATIONS; BENEFIT FEW WORKERS

- The TCJA was estimated to give the richest 1% about [21% of the tax cuts](#) in 2018, an average tax cut of \$51,000 per the Tax Policy Center. Their share grows to 83% in 2026, once some of the law's tax cuts expire. The tax cuts were even bigger for the country's [400 richest people](#) who collectively own \$2.9 trillion—as much as the bottom two-thirds of Americans, or [about 220 million people](#). Just [three men](#)—Jeff Bezos, Warren Buffett and Bill Gates—are together worth as much as the whole bottom half of society, or about 165 million people.
- **The law's main focus was cutting corporate taxes.** The corporate tax rate on domestic profits was cut by 40%—from 35% to 21%, and the rate on offshore profits is half of that. This change alone [cost \\$1.3 trillion](#) per the Joint Committee on Taxation (JCT).

- **The corporate tax cuts show no sign of paying for themselves, as the [Trump administration claimed they would](#).** Corporate tax revenue [dropped by about a third \(\\$92 billion\)](#) from \$286 billion in 2017—before the TCJA—to \$194 billion in 2018, according to the Treasury Department. At the same time corporate profits soared: [after-tax profits increased 16.2%](#) in 2018 compared with 2017, rising from \$1.75 trillion to \$2.03 trillion, per Bureau of Economic Analysis data. [Bloomberg reports](#) that “[m]ajor U.S. banks shaved about \$21 billion from their tax bills last year.” Amazon made \$11 billion in 2018 but [paid no federal income taxes](#).
- **Contrary to the president’s promise that corporations would use their tax cut to give working families a \$4,000 pay hike, [only 4.3% of workers](#) have received a bonus or raise as a result of the TCJA.** Instead, corporations used their tax cuts to [buy back \\$1 trillion of their own stock](#) last year. This jacks up stock prices, which mostly benefits the [richest 1%](#), including CEOs, who own 40% of corporate stock and the [richest 10%](#) who own 84%.
- **The tax cuts have had [no major impact on business investment](#).** After an initial jump in business spending following passage of the TCJA, [business investment has slowed a lot](#) and is following the trend in 2017 before the TCJA became law.

THE TAX CUTS HAVE BALLOONED THE DEFICIT AND THREATEN CUTS TO KEY SERVICES

- **The national debt is projected to [increase by \\$1.9 trillion over 10 years](#) due to the Trump-GOP tax cuts,** according to the Congressional Budget Office. Trump’s 2020 budget doubles down on his tax cuts, giving away [another \\$1.1 trillion to individuals](#) by making the TCJA tax cuts permanent, again favoring the wealthy.
- **Trump’s 2020 budget proposes at least [\\$2.5 trillion in cuts to critical services](#) that benefit working families to reduce the debt caused by the tax cuts.** Trump proposed cuts to healthcare, education, housing, nutrition, Social Security disability benefits, college aid, environmental protection and many more services working families need.
- **Trump proposes to cut \$1.4 trillion from Medicare, Medicaid and the Affordable Care Act (ACA) to pay for his tax cuts—hurting seniors, families, children and people with disabilities.** About [\\$600 billion would be cut from Medicare](#) and [\\$777 billion cut from Medicaid and the ACA](#).
- **Trump’s budget repeals the ACA, which would give huge tax breaks to the wealthy and corporations.** It will also take healthcare away from [20 million Americans](#) and take away the protections for 130 million people with pre-existing medical conditions who would pay more or not be able to afford insurance without the ACA. Repeal would also result in a \$600 billion tax break for the rich and healthcare companies; those taxes help pay for the ACA’s expansion of coverage and insurance subsidies.

VOTERS OPPOSE THE TAX CUT LAW, BELIEVE OUR TAX SYSTEM IS UNFAIR

- A March [Pew Research Center](#) poll found that **49% disapprove of the TCJA, with only 36% approving**. It also found that more than 80% are bothered “some” or “a lot” by wealthy people and corporations not paying their fair share.
- A March [Fox News](#) poll found that **voters’ top tax concern is that the rich are not paying enough (34%)**. Lesser concerns were the way the government spends the money (28%), and “too many people don’t have to pay taxes” (12%).
- A March poll by [ALG Research for Tax March and Americans for Tax Fairness](#) found that **nearly two-thirds (62%) of voters support repealing the Trump tax cuts**, including 39% of Republicans and a third of voters who approve of Trump’s job performance. [\[Q. 33I\]](#) The same poll also found that 80% (57% strongly) support raising taxes on the richest 1% to raise trillions of dollars to help address the country's top priorities. [\[Q. 33G\]](#)

This [compilation of polls](#) shows many other similar findings.

Given all of the above, we ask that you urge Congress to reverse course this Tax Day and begin the process of amending or repealing those TCJA tax breaks that benefit the wealthiest Americans, businesses and corporations, and close numerous long-standing and expensive tax loopholes that were never touched by the TCJA.

This would create a tax system where the wealthy and corporations pay their fair share—something that polling shows the American people strongly support—and it could raise trillions of dollars. That revenue is needed to address critical needs—expanding access to affordable healthcare, repairing roads and bridges, improving education, making child care and housing affordable, and addressing climate change.

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