

HEALTH CARE FOR AMERICA NOW!

Republican Tax Package Rewards the Richest 1% and Wall Street While Cutting Health Care and Raising Taxes for the Rest of Us

President Donald Trump and Republicans in Congress are calling their tax bill a Christmas gift to the middle-class—but instead, it's a lump of coal that hands trillions in tax breaks to the rich and Wall Street paid for by cuts to health care and tax hikes on middle-class families.

Changes in the final [Tax Cuts and Jobs Act](#) passed by the House and Senate made an already bad bill worse, but did nothing to protect the health care, education and economic security programs from cuts that Republicans want to make to pay for their massive tax giveaway.

The Republican tax plan gives the biggest tax breaks to the richest 1% of households and corporations like Apple, Pfizer, and Wells Fargo, while at the same time raising taxes on middle-class families.

- Even though giving Wall Street tax breaks has never created more jobs, the bill cuts corporate taxes by \$1.4 trillion by permanently reducing corporate tax rates from 35% to 21% and eliminating the AMT (Alternative Minimum Tax).
- The bill encourages more companies to move jobs and profits offshore by eliminating taxes on foreign profits. It gives huge multi-national companies like Apple and Microsoft a discount on taxes they already owed on existing profits they have hidden offshore—instead of making them pay their fair share like the rest of us, the bill allows them to pay \$400 billion less.
- Over the next 10 years (by 2027), the richest 1% of Americans will get 83% of the tax breaks in the Republican tax plan. In 2018, millionaires will get an average tax cut of \$51,000 while the bottom 60% of tax payers will get about a dollar a day.
- At the same time, [92 million](#) middle-class families (households earning less than \$200,000) would get a tax **increase** under the Republican tax plan. Over half (53 percent) of all Americans – [100 million households](#) – would get a tax increase in 2027.

To pay for tax breaks that mainly benefit the rich and corporations, the Republican tax plan guts health care—leaving 13 million more Americans uninsured, raising premiums for millions more, and forcing cuts to Medicaid and Medicare.

- To pay for permanent corporate tax cuts in the bill, the Republicans will repeal the individual responsibility provision of the Affordable Care Act, which will destabilize markets, strip [13 million](#) Americans of health insurance, and raise premiums 10%.
- Because the tax bill adds over a trillion dollars to the deficit, it will trigger automatic cuts to important [government services](#)—including [\\$25 billion](#) in cuts to Medicare (the national insurance program for seniors and people with disabilities) in 2018, increasing to \$400 billion in cuts over 10 years. Over 55 million people depend on Medicare for their health care.
- Republican Speaker Paul Ryan has also [announced](#) that he plans to cut Medicare, Medicaid, Social Security and a slew of other critical programs next year to address the increased deficit resulting from the tax bill. Medicaid is the largest source of federal funding to states and provides health care for over 70 million Americans; the largest number of enrollees are children.

The Republican tax plan unfairly punishes families and children while giving big perks to wealthier households and corporations.

- On average, [all families with children will get a tax increase – unless they earn more than \\$1 million](#). At the same time, the new tax bill [ends the Child Tax Credit \(CTC\) for about 1 million](#) of the nation’s poorest children—many of them Dreamers—who don’t have Social Security numbers even though their parents pay taxes into the system. The new CTC also provides only a token amount—\$75 or less to 10 million kids in low income families while allowing upper income families (incomes up to \$500,000 a year) to claim up to \$2,000 on the CTC.
- The final bill also changes important deductions in the current tax code that help middle class families lower their tax bill including capping the federal deduction for state and local taxes (SALT) at \$10,000, which will raise taxes for about 8 million families. One-third of taxpayers making \$50-75,000 take this deduction for state and local income and property taxes, as do half of those making \$75-100,000. Capping this deduction hurts middle class families and adds pressure on state and local budgets to cut education, health care, and infrastructure.

Republican claims that this tax package helps the middle class, creates jobs and will give everyone in America a tax break are plainly untrue. Instead, the true beneficiaries will be Wall Street corporations that have already spent years shirking their fair share of taxes, wealthy households who will get huge tax breaks, and rich real estate tycoons like [President Trump himself](#) who will enjoy new loopholes for millionaires created in the bill.

The rest of us—working families, seniors, children, and the middle class—will pay for the Republican tax giveaway with higher taxes and cuts to health care, education and public services for decades to come.

In 2018, it’s up to us to tell Americans the truth about his [historically unpopular legislation](#) and remind them who pays for tax breaks for the rich and corporations in the Republican bill.