

Republicans Budget is a Trojan Horse for Tax Cuts for the Wealthy

GOP Tax Reform Framework Cuts Taxes for Wealthy At The Expense Of the Middle Class And Explodes the Deficit

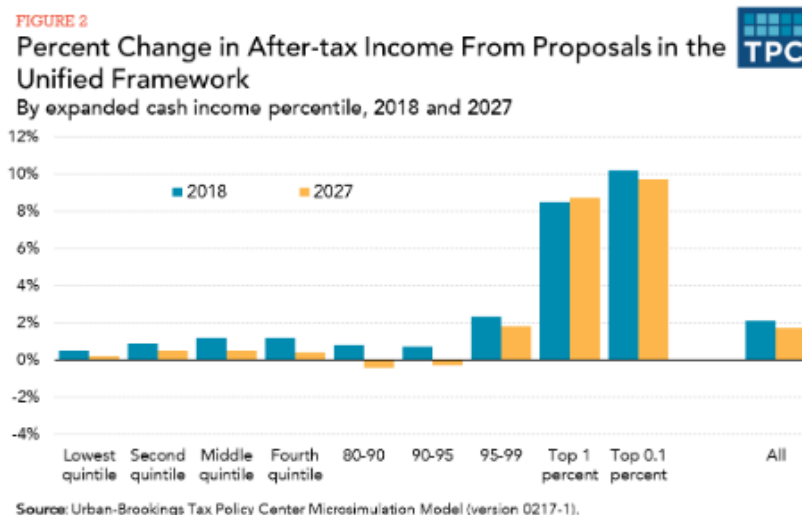
This week, House Republicans will bring their budget resolution to the Floor for consideration – 172 days after the April 15 deadline to complete their work on a budget. The only reason they are bringing this budget to the Floor is to move their tax reform framework forward through a partisan process and pass tax cuts for the wealthy at the expense of the middle class.

As a reminder, House Republicans' budget will slash investments that help working families get ahead:

- Slashes \$5.4 trillion in programs that help create well-paying jobs;
- Fast tracks cuts to programs that assist low-income families, students, seniors, and Americans with disabilities;
- Lowers funding for important investments in education, research, and infrastructure by an additional \$5 billion this year;
- Steals nearly \$2 trillion from lifesaving Medicaid and Medicare programs and embraces the failed House-passed TrumpCare bill;
- Ignores spending caps for defense and military, increasing spending on the Pentagon by \$72.5 billion while slashing budgets for the State Department and foreign aid, both of which are critical to our nation's security; and
- Strips \$6 billion dollars from environmental and natural resource protection.

This budget is simply a vehicle to pass their partisan tax reform package. According to the non-partisan Tax Policy Center, this framework will cut taxes on top earners and add trillions to the deficit:

- The GOP tax reform framework would add \$2.4 trillion to the deficit over 10 years, and an additional \$3.2 trillion over the decade after that.
- 80% of the total tax cuts outlined would go to the top 1% of Americans, who earn *at least* \$900,000.
- One in three middle class families making between \$50,000 and \$150,000 would see their taxes go up.
- In total, individuals' taxes go up while businesses' taxes go down.



The theory that tax cuts pay for themselves, which Republicans use to justify these tax cuts for the wealthy, has been debunked by economic experts for years:

Alan Greenspan Former Chair of the Federal Reserve: “They do not [pay for themselves]...Look, I'm very much in favor of tax cuts, but not with borrowed money. And the problem that we've gotten into in recent years is spending programs with borrowed money, tax cuts with borrowed money, and at the end of the day, that proves disastrous. And my view is I don't think we can play subtle policy here on it.” [Meet The Press, [8/1/2010](#)]

Keith Hall, Director, Congressional Budget Office: “No, the evidence is that tax cuts do not pay for themselves...And our models that we're doing, our macroeconomic effects, show that.” [The Hill, [8/25/15](#)]

Douglas Holtz-Eakin, former Congressional Budget Office Director: “I'm a very conservative economist. I would love it if tax cuts paid for themselves, but I'm also someone who looks at the numbers. And there's just no evidence that the tax cuts actually pay for themselves...It's just unlikely that you can move an economy that is approaching \$20 trillion in size so much, so fast with a tax cut, that it will turn around and generate even more revenue.” [NPR, [5/9/2017](#)]

David Stockman, former OMB Director for President Ronald Reagan: “It's the same story they told back in 1980s when I was there and I never believed it... [tax cuts would produce] some additional economic growth...[but] most of the revenue loss has to be paid for with spending cuts. You have to earn it. You can't, you know, wave a magic wand.” [NPR, [5/15/2017](#)]

Alan D. Viard, former Senior Economist for President George W. Bush: “Tax policy is clearly not some overwhelmingly powerful tool that affects growth...” [New York Times, [5/23/17](#)]

Joel Slemrod, Director of Office of Tax Policy Research at University of Michigan: “Can tax cuts pay for themselves? The evidence overwhelmingly suggests that this is not true.” [Wall Street Journal, [10/2/17](#)]

Republicans are raising concerns about their framework harming the middle class and admitting that it will increase the deficit:

Senator Rand Paul (R-KY): “This is a GOP tax plan? Possibly 30% of middle class gets a tax hike? I hope the final details are better than this.” [Tweet, [10/2/17](#)]

Republican Study Committee Chairman Rep. Mark Walker (R-NC): “[Deficit reduction is] a great talking point when you have an administration that's Democrat-led...It's a little different now that Republicans have both houses and the administration.” [New York Times, [9/28/17](#)]

Tuesday Group Chairman Rep. Charlie Dent (R-PA): “Tax reform will not be fully offset...I can live with it.” [CQ Budget Tracker, [9/29/17](#)]

Rep. Dave Brat (R-VA): “You've got to come clean with people that this is not optimal... “The one thing you make an exception for is tax cuts.”

Senator John Kennedy (R-LA): “If we do it right, then the economy will be stimulated appropriately and tax revenues will go up and the deficit won't increase...Now, I can't prove to you that that will happen. But neither can anybody else.” [New York Times, [9/28/17](#)]

Rep. Steve Womack (R-AR): “There will be a myriad of reasons why people will have certain issues that they want to bring forward...To others, it will be the potential adding to the deficit and the potential consequences for long-term debt...” [Politico, [10/2/17](#)]

Office of Democratic Whip Steny H. Hoyer, 10/3/2017