



Two-Year Anniversary of the Republican Tax Betrayal

Two years ago this month, President Trump signed the Republicans' tax giveaway into law. Instead of keeping their promises to middle-class families, Republicans delivered tax giveaways to the big drug companies, the wealthy, and other special interests.

PROMISE: *"[The Republican tax law] is going to be one of the great Christmas gifts to middle-income people." President Trump, 12/16/17*

- **FACT:** Instead, the wealthiest 1% of taxpayers received an average tax cut **64 times the size of the one given to the middle class.**

PROMISE: *"Under our plan, middle-class families will not only see their tax bill go down; they will see their incomes go up by an average of around \$4,000." President Trump, 11/27/2017*

- **FACT:** In the first year of the Republican tax betrayal, median family income increased by just \$514 (0.8%) **and bonuses have declined by 22%.**

PROMISE: *"[Businesses] have made tremendous contributions to their employees and tremendous contributions to spending money on this country because of the tax bill." President Trump, 12/22/2017*

- **FACT:** Instead of investing in workers and creating jobs, businesses used their tax windfall to reward CEOs and wealthy shareholders with more than \$1.1 trillion in buybacks in 2018.

PROMISE: *"We have \$21 trillion in debt. When [the Republican tax law] really kicks in, we'll start paying off that debt like water." President Trump, 7/26/2018*

- **FACT:** The federal budget deficit rose by \$319 billion since the passage of the Republican tax law.

***PROMISE: “[The Republican tax law] is going to be one of the great Christmas gifts to middle-income people.”
President Trumpⁱ***

FACT: Instead, the wealthiest 1 percent of taxpayers received an average tax cut **64 times the size of the one given to the middle class.** ⁱⁱ

President Trumpⁱⁱⁱ promised Americans that his tax law would not benefit the wealthy, but the law was specifically designed to lavish the wealthiest people in America with tax cuts that they did not need.

The richest 20 percent of Americans will receive a tax giveaway of \$205 billion in 2020 alone, over 8 times what middle-income families can expect.^{iv}

In 2020, households making more than \$639,000 per year will see their taxes reduced by **\$49,950** on average just from the 2017 Republican tax law.^v Compare that with an average tax cut of a mere **\$780** for families making \$55,600 per year.^{vi}

The top 1 percent of taxpayers received an average tax cut more than **832 times larger than what the bottom 20 percent received** ⁱⁱ

Republicans betrayed the trust of the middle- and working-class families who voted for them; Republicans prioritized the wealthy at the expense of everyone else.

PROMISE: "Under our plan, middle-class families will not only see their tax bill go down; they will see their incomes go up by an average of around \$4,000." President Trump^{vii}

FACT: In the first year of the Republican tax betrayal, median family income increased by just \$514 (0.8 percent).^{viii}

Not only is income growth of \$514 far short of the \$4,000 President Trump and Congressional Republicans told families to expect, it is also slower than in any of the last three years of the Obama presidency.^{ix}

Only 4.3 percent of workers were given bonuses or wage hikes that companies attributed to the Republican tax handout. Out of 5.9 million employers in the country, only 413 gave such pay increases.^{x xi}

Bonuses have actually declined by 22 percent since the Republicans passed their tax giveaway without a single Democratic vote.^{xi}

Republicans betrayed the trust of the middle- and working-class families who voted for them; Republicans and their corporate allies chose wealthy stockholders and executives over working families.

PROMISE: “[Businesses] have made tremendous contributions to their employees and tremendous contributions to spending money on this country because of the tax bill.”

President Trump^{xii}

FACT: Instead of investing in workers and creating jobs, businesses used their windfall tax cuts to reward wealthy shareholders; setting a record in 2018 with more than \$1.1 trillion in buybacks.^{xiii xiv} Stock buybacks are used to drive up the price of a company’s stock, increasing the wealth of CEOs and shareholders and leaving workers behind.

Corporations are spending **140 times** as much money to buy back stock as they are on wage increases and bonuses for workers.^{xiv}

In 2018 alone, the 10 biggest drug companies spent \$115 billion on their shareholders through stock buybacks and dividends instead of lowering prices.^{xv} At the same time, big drug companies raised the price on thousands of drugs.^{xvi}

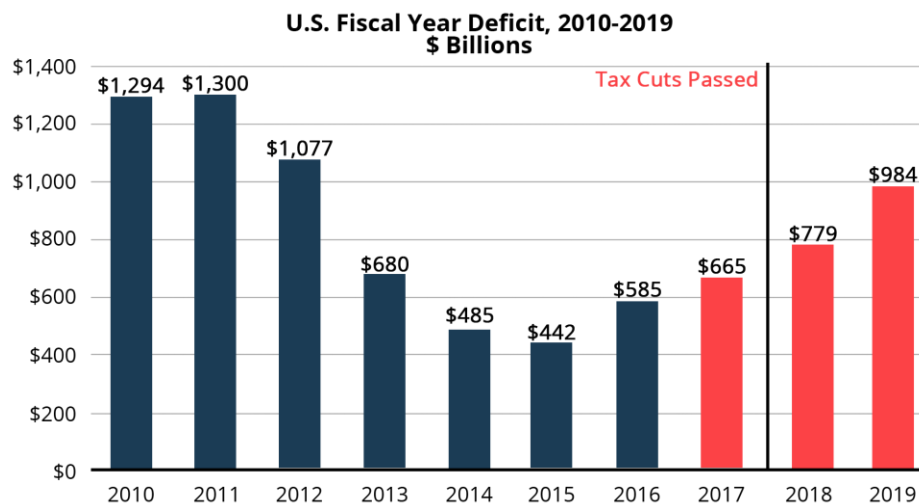
In the third quarter of 2019, business investment was negative 2.7 percent, the second straight negative quarter for business investments despite Republican promises of “tremendous” business investment.^{xvii xviii}

Republicans betrayed the trust of the middle- and working-class families who voted for them; Republicans handed tremendous tax giveaways to businesses, hoping they would trickle down. Instead, companies chose profits over people.

The **manufacturing sector has contracted for two straight quarters,** the common definition of a recession.^{xviii}

PROMISE: "We have \$21 trillion in debt. When [the Republican tax law] really kicks in, we'll start paying off that debt like water." President Trump^{xix}

FACT: The federal budget deficit rose by \$319 billion since the passage of the Republican tax law.^{xx xxi}



Republicans then demanded **\$1.5 trillion in cuts to Medicaid and \$800 billion in cuts to Medicare** to reduce the deficits that they created.^{xxii}

Republicans have gone even further: implementing rules that **could kick up to 1 million people off of the Supplemental Nutrition Assistance Program**, which was created to ensure that no American goes hungry.^{xxiii}

Republicans betrayed the trust of the middle- and working-class families who voted for them; Republicans mortgaged those families' futures to give tax cuts to the wealthy now.

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- ⁱ <https://www.reuters.com/article/us-usa-tax-trump/trump-defends-tax-plan-as-great-christmas-gifts-to-middle-class-idUSKBN1EA000>
- ⁱⁱ <https://itep.org/tcja-2020/>
- ⁱⁱⁱ <https://www.brookings.edu/blog/up-front/2018/10/16/the-middle-class-needs-a-tax-cut-trump-didnt-give-it-to-them/>
- ^{iv} <https://itep.org/updated-estimates-from-itep-trump-tax-law-still-benefits-the-rich-no-matter-how-you-look-at-it/>
- ^v <https://itep.org/tcja-2020/>
- ^{vi} <https://itep.org/tcja-2020/#state>
- ^{vii} <https://www.youtube.com/watch?v=zZoNtWMtFpA>
- ^{viii} <https://americansfortaxfairness.org/wp-content/uploads/Chartbook-Trump-GOP-Tax-Cuts-Fail-Workers-The-Economy-FINAL-12-4-19.pdf>
- ^{ix} <https://americansfortaxfairness.org/wp-content/uploads/Chartbook-Trump-GOP-Tax-Cuts-Fail-Workers-The-Economy-FINAL-12-4-19.pdf>
- ^x https://americansfortaxfairness.org/issue/costly-corporate-tax-cuts-benefit-workers/#_Toc3339686
- ^{xi} <https://www.epi.org/blog/worker-bonuses-slump-22-percent-after-gop-tax-cuts/>
- ^{xii} <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-signing-h-r-1-tax-cuts-jobs-bill-act-h-r-1370/>
- ^{xiii} <https://www.cnbc.com/2018/12/18/stock-buybacks-hit-a-record-1point1-trillion-and-the-years-not-over.html>
- ^{xiv} <https://www.newsweek.com/bernie-sanders-chuck-schumer-tax-plan-1317417>
- ^{xv} http://rooseveltinstitute.org/wp-content/uploads/2019/06/RI_Profit-Over-Patients-Financialization_brief_201906.pdf
- ^{xvi} <https://apnews.com/b28338b7c91c4174ad5fad682138520d>
- ^{xvii} <https://americansfortaxfairness.org/wp-content/uploads/Chartbook-Trump-GOP-Tax-Cuts-Fail-Workers-The-Economy-FINAL-12-4-19.pdf>
- ^{xviii} <https://www.wsj.com/articles/wsj-survey-majority-of-economists-say-manufacturing-sector-in-recession-11570716000>
- ^{xix} <http://nymag.com/intelligencer/2018/07/trump-hannity-interview-predicts-9-percent-growth-surplus-by-presidencys-end.html>
- ^{xx} <https://www.cbo.gov/system/files/2019-11/55824-CBO-MBR-FY19.pdf>
- ^{xxi} <https://americansfortaxfairness.org/wp-content/uploads/Chartbook-Trump-GOP-Tax-Cuts-Fail-Workers-The-Economy-FINAL-12-4-19.pdf>
- ^{xxii} <https://www.whitehouse.gov/wp-content/uploads/2019/03/msar-fy2020.pdf>
- ^{xxiii} <https://www.nytimes.com/2019/12/04/us/politics/food-stamps.html>