

## To Line the Pockets of Billionaires and Republican Donors, House Republicans Affirm their Values: Cruelty

- If Republicans have one legislative move, it's to line the pockets of their billionaire friends and CEOs. For \$1.8 trillion, Republicans could extend the 2017 tax relief to 98% of Americans, but instead, they are working to loot the people to the tune of \$5 trillion, cutting key programs that people rely on, all to give another massive handout to the richest among us.
  - In fact, [the cuts](#) to SNAP and Medicaid total **\$1.1 trillion**, which is exactly how much it'll cost to enrich the top 1% (people making over \$743,000 annually).
- House Republicans have settled on cutting the programs that help keep American families afloat: Medicaid, ACA, SNAP, Child Care, and more.
- On the chopping block to pay for the Billionaire Boondoggle – programs that make your health care affordable:
  - **\$880 billion** in cuts to Medicaid, which provides insurance for **one in four children** and is the single largest funder for mental health and substance use treatment in the country.
  - The Affordable Care Act is also in the crosshairs, and Republicans have no plans to extend the premium tax credits, which bring down costs, and saves families an average **of \$6,432 annually**.
  - Their vision is a poorer, sicker America, with people stuck paying more for coverage while so many will lose coverage all together.
- Folks making less than \$50,000 will receive **288x less** than millionaires.
  - Workers and families won't be able to bridge the gap between Republicans skyrocketing costs on health care and the cost of living while only delivering meager tax relief.
- Republicans have doubled down on their **failed playbook** that has been a masterclass in broken promises. Their 2017 tax bill:

- **didn't raise workers' wages:** a recent study found that 100% of the corporate gains from the GOP Tax Scam went to shareholders and high-paid executives and absolutely nothing flowed to workers
  - **didn't pay for itself,** and Republicans' own hearing witnesses have unanimously said that they won't pay for themselves this time around.
  - **didn't grow our economy,** and CBO recently found that extending the GOP Tax Scam would stifle economic growth.
  - **didn't spur manufacturing.** In fact, manufacturing capacity contracted after the GOP Tax Scam, and only began to grow after Democrats' spearheaded the Bipartisan Infrastructure Law, the Inflation Reduction Act, and the CHIPS Act.
- But what it did do—it was a Billionaire Boondoggle. And this time around is no different:
  - The [top .01%](#) stands to gain \$278,000 per year but the average family could gain just \$1,000.
  - For the [top 1%](#) that means an additional \$165 in their pocket every day, while the bottom 60% only get an extra \$1.10 per day, which won't be anywhere near enough to even close the gaps left from the massive cuts Republicans have in store for programs that people rely on, let alone delivering relief.

## DIVE DEEPER

### Republicans are Showering The Wealthy with Cash Again

- According to data from the Joint Committee on Taxation, extending the TCJA would provide the average taxpayer making over \$1 million/year with a tax cut of **\$78,717**.
- The average tax cut for a taxpayer making under \$50,000 is a mere **\$273**.
- That means taxpayers making \$1 million receive a tax cut **288 times** larger than taxpayer making less than \$50,000.

### Reckless Deficit Spending: \$4.6 Trillion (And Growing)

- JCT estimates that just making the TCJA permanent (without any other of President Trump's tax proposals) would cost **\$4.6 trillion** over the ten-year budget window.
- None of this includes other proposals floated by President Trump, such as:
  - No tax on tips (~\$200 billion)
  - No tax on overtime (~\$2 trillion)
  - No tax on Social Security benefits (~\$1.5 trillion)

- 15% corporate rate for domestic manufacturing (~\$200 billion)
  - Some SALT relief (\$\$\$\$)
- By some estimates, enacting Donald Trump's campaign promises could cost the fisc nearly **\$16 trillion**.

### **Republicans' Child Tax Credit Leaves the Poorest Behind**

- By insisting on an earnings requirement for the refundable child tax credit, the Republicans ensure that children who need the most help don't get it.
- Whereas the Democratic expanded CTC went to the neediest, and reduced child poverty by nearly 50 percent.

### **The TCJA Continues to Tax Workers Into Poverty**

- The TCJA made no changes to the EITC (and in fact reduced its value somewhat by slowing down inflation adjustments), meaning that the EITC of workers without dependents remains so paltry that paying their federal income taxes pushes them below the poverty line—they are literally being taxed into poverty.
- Democrats in the American Rescue Plan tripled the value of the EITC for these workers, ensuring that the tax code works for workers.

### **The TCJA Does \*Nothing\* For Parents Struggling to Afford Child Care**

- While billionaires and the largest corporations reap billions in tax cuts, the TCJA leaves the child and dependent credit totally unchanged.
- For most taxpayers, this credit is worth \$600 or \$1,200 (depending on the number of dependents), which barely makes a dent in the cost of child care.
- Democrats in the American Rescue Plan increased this maximum to \$4,000 for taxpayers with one child and \$8,000 for taxpayers with more than one child—assistance that can make a meaningful difference in the cost of child care.

### **The Beneficiaries of The Pass-Thru Deduction Are Largely Wealthy Taxpayers**

- JCT data shows that in 2024, **over half** of the benefits from the section 199A deduction went to taxpayers whose income was over **\$1,000,000** (\$33 billion out of a total \$59 billion expenditure).
- Per JCT data, **86% percent** of the benefits of 199A flow to the highest-earning 10-percent of taxpayers.
- ***So much for trickle-down:*** Per JCT data, in 2022 \$75 billion in 199A deductions were claimed by taxpayers with **NO** employees.

## Misplaced Priorities on Health

### The Affordable Care Act Has Been Wildly Successful

- Too many Americans struggle to afford their everyday costs—and every family should be able to afford health care coverage.
- The Inflation Reduction Act [strengthened the ACA](#) by lowering premiums for the middle class by an average of \$2,400 per year.
- Thanks to the Biden Administration's enhanced premium tax credits, in 2025 a [record 23.6 million](#) Americans selected a plan for coverage under the Affordable Care Act Marketplaces. This has resulted in *historic* lows in the rate of uninsurance nationwide and historic savings on insurance premiums.

### Republicans Are Once Again Intent On Sabotaging the ACA

- President Trump has already cut \$360 million in funding that helps people enroll in ACA health plans
- Extending the TCJA- and only the TCJA- leaves millions who benefited from the ACA expansion behind.
- As a result, [more than two million people](#) will lose access to health insurance entirely next year—and nearly four million people each year in the long term.
- Failing to extend this tax relief will raise insurance premiums for everyone and make quality care too expensive for millions of people with pre-existing conditions like cancer or diabetes.

### Tax Cuts For Billionaires, But Tax Increases For Working Americans

- If these vital tax credits expire at the end of this year, the Congressional Budget Office (CBO) [projects premiums will increase](#) by more than four percent in 2026 and nearly eight percent each year in the long term.
- This means [19.3 million enrollees](#) will see a tax increase.
- On average, families will see an increase of 7.9 percent in taxes, which translates to an annual increase of \$411 for a 21-year-old and more than three times that—around \$1,200—for older individuals.

## Republicans' Proposed Offsets Do More Harm Than Good

### Trump's Tariffs: A Tax On Working Families

- A recent [CBO Report](#) confirmed what we all know. Trump's blanket tariffs would make U.S. goods more expensive, add uncertainty for businesses, reduce productivity, and prompt retaliatory tariffs.

- Trump's tariff plan amounts to a **\$3 trillion tax hike**, and American households would see their costs go up by an average of **\$1,560**.

### **Repealing IRS Funding: Letting Tax Cheats Run Wild Again**

- Democrats made an historic investment in the IRS in the Inflation Reduction Act, providing \$80 billion to ensure that IRS customer service was top-of-the-line, and that the IRS had the resources to ensure that well-heeled tax cheats would be brought to account.
- Republicans have made no secret about their desire to repeal this funding- a gift to tax cheats everywhere.
- Rather than "saving" taxpayer money, the CBO estimated that repealing this crucial funding would actually **add \$114 billion to the federal deficit**

### **Repealing The Inflation Reduction Act Green Energy Incentives: Bad For The Environment, Jobs, Investment and Energy Prices. Great For China!**

- Per a recently published report by [Aurora Energy Research](#), repealing the Inflation Reduction Act's energy generation credits would result in **\$336 billion less investment, 100,000 lost jobs**, and up to **a 22 percent increase in energy prices**.
- Repealing the EV credit would **gut the dramatic investments** made in the automotive industry's transition to electric vehicles: **\$129 billion in investments** in EV and battery plants, **creating 133,000 jobs**.
- Undercutting these investments not only harms our manufacturing sector, it threatens our national security and cedes the market to China.

## **Democratic Policies Were Responsible for the Surge in Domestic Manufacturing—Not the TCJA**

### **The TCJA Is Not The Reason For The Recent Growth in Domestic Manufacturing**

- Contrary to GOP's claim that TCJA is responsible for the recent growth in domestic manufacturing, **manufacturing capacity actually contracted in the years following the passage of TCJA**.
- According to the Federal Reserve, manufacturing capacity contracted 0.5 percent per year, on average, from 2018 to 2021, expanded 0.4 percent in 2022 and 1.2 percent in 2023. [Manufacturing capacity](#) is expected to grow by 1.3 percent in 2024.

## Manufacturing Growth Skyrocketed Due To The Biden Administration's Policies

- U.S. has experienced a striking surge in construction spending for manufacturing facilities, with real manufacturing construction spending **doubling** since the end of 2021. This growth is unmatched anywhere else in the world.
- The surge coincides with a supportive policy environment for manufacturing construction: **the Bipartisan Infrastructure Act, Inflation Reduction Act, and CHIPS Act**, each providing **direct funding** and **tax incentives** for public and private manufacturing construction.
- For instance, American **solar manufacturers have announced \$36 billion of investments in the last two years** that are expected to create **over 44,000 manufacturing jobs**. 67 new solar and storage manufacturing facilities have come online because of Biden's manufacturing policies, and 48 facilities are under active construction.

## Doubling Down On Failed Trickle-Down Policies

### The TCJA Did Not Boost Revenues

- Republicans point to increased revenue over CBO's 2017 baseline as evidence that the TCJA was a success.
- CBO itself has stated that the increased revenue was primarily due to unanticipated inflation- not the TCJA.
- In fact, even accounting for inflation, **corporations paid \$351 billion less in taxes since the TCJA was enacted.**

### The TCJA Is Bad for Economic Growth

- Contrary to Republican dogma on tax cuts, the non-partisan Congressional Budget Office found that by adding so much to the debt, Republicans' tax giveaways to billionaires **would crowd out private investment and reduce U.S. gross domestic product.**
- Republicans' claim that tax cuts can pay for themselves with economic growth is resoundingly refuted by the CBO analysis— a "dynamic score" of their tax cuts loses even more revenue in the long run.
- So upsetting was this news to Republicans, it led **Chairman Smith to attack the referees**, stating "CBO is simply not equipped to calculate the costs of the totality of all pro-growth policies that President Trump has pledged..."

## The Business Tax Cuts: Benefits For The C-Suite, Not The Workers

- [Research](#) first published in 2022 by authors affiliated with the Joint Committee on Taxation and Federal Reserve Board found that the benefits of the TCJA's corporate tax reductions did not trickle down to workers.
- In fact, the authors' conclusion was that “**earnings do not change for workers in the bottom 90 percent** of the within-firm distribution, but do increase for workers in the top 10 percent, and **increase particularly sharply for firm managers and executives.**”

## Doubling Down On Bad Tax Policies

### Making The TCJA Permanent Means Making The SALT Cap Permanent

- The SALT cap **threatens important public services** funded by state and local taxes.
- The SALT cap **makes housing more expensive** (through increased cost of property taxes and nearly halving the number of households benefitting from the mortgage interest deduction)
- The SALT cap is particularly **damaging to middle class taxpayers** living in high-cost of living areas.
- The SALT cap is **double-taxation**, in clear violation of bedrock principles of federalism.

### Making the TCJA Permanent Ensures that Taxpayers Can't Deduct Commonplace Business and Other Expenses

- The TCJA eliminated itemized deductions for all business expenses of employees. For instance, union employees cannot deduct their union dues under the TCJA, and actors and athletes (not all of whom are wealthy) cannot deduct agents' fees.
- The TCJA eliminated the ability for taxpayers to deduct lawyers' fees from a settlement, resulting in outrageously high tax bills on “phantom income” from settlements.
- Additionally, after 2025 businesses will no longer be able to deduct the costs of providing meals for their employees (say, in an on-site cafeteria where workers work a late-shift).

### The TCJA Unreasonably Limited Casualty Loss And Theft Deductions

- The TCJA allows a deduction for uninsured personal losses only if those deductions were caused by a natural disaster. This leaves many taxpayers who suffered hardship due to no fault of their own hanging out to dry.
- For instance, in Connecticut, many taxpayers' **homes were rendered worthless** when their foundations crumbled due to faulty stone in a local quarry. **They cannot claim a deduction for this loss under the TCJA.**
- [The Washington Post](#) had multiple articles **about seniors who were scammed**, and who **could not claim a loss deduction under the TCJA.**

## **Republicans' 'Greatest Hits' Arguments are Easily Debunked**

**“If we don’t extend the TCJA, Americans are going to be faced with a \$4.6 trillion tax increase”.**

- Democrats are happy to work with Republicans to ensure that that middle class taxpayers don’t get hit with a tax increase.
- In fact, the Treasury Department recently released data showing that we can hold everyone making less than \$400,000 year harmless for **\$1.8 trillion.**
- Republicans insist on **holding the middle-class hostage** by forcing an additional \$2.6 trillion in tax cuts for the wealthy.

**“The TCJA Boosted Wages By Record Levels”**

- **FALSE.**
- The Congressional Research Service: **“There is no indication of a surge in wages in 2018,** either compared to history or relative to GDP growth.”
- Economists from the Federal Reserve Board and JCT found that, to the extent the benefits of the corporate rate cut were passed down, **none of them went to the bottom 90 percent of workers** at firms receiving a tax cut. Instead, **highly paid workers and executives received all of the wage gains** resulting from the corporate rate cut.

**“Making the TCJA Permanent Will Boost Economic Growth”**

- **FALSE.**
- None other than the non-partisan Congressional Budget Office has debunked this claim, finding that by adding so much to the debt, Republicans’ tax giveaways to billionaires **would crowd out private investment and reduce U.S. gross domestic product.**