

Bill Kaplan: Tax cuts a bust for most Wisconsinites

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The GOP-led Senate will be taking up its version of tax cuts, previously rushed through the GOP-led House by Speaker Paul Ryan. Trump, with no vision for helping regular folks, is cheerleading passage of the Senate bill. Although there are differences with the House-passed bill, both are tilted toward helping corporations and the rich.

The nonpartisan Center on Budget and Policy Priorities (CBPP) outlined the glaring inequities in both bills: “A tax cut on ‘pass-through’ businesses ... that would provide its largest tax cuts to extremely large businesses owned by high-income households; A cut in the corporate tax rate to 20 percent, which would provide more than a third of its benefits to the top 1 percent of households, and an even lower rate on multinationals’ foreign profits; (and) Deep cuts in the estate tax (Senate bill cuts - House repeals) that would only benefit the heirs of the wealthiest 0.2 percent of estates.”

The nonpartisan Tax Policy Center analyzed how the Senate tax cuts would help the rich: “In general, higher income households receive larger average tax cuts as a percentage of after-tax income” By 2027, the top 1 percent (income over \$750,000) would largely still be getting tax cuts (average tax cut of \$42,410) in contrast to most regular folks. What a con job. Why?

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The Washington Post reported: “More than 80 percent of tax breaks set to go away (House and Senate bills) would be taken from households. The perks for

corporations are generally permanent. ... many of the tax breaks for families are set to expire in 2025 (Senate bill). ... And, by 2027, half of American households would pay higher taxes under the Senate tax bill than they would if the current tax code were left in place... ." Ryan, Senate GOP Leader Mitch McConnell and Trump all playing Pinocchio! It gets worse.

The Senate tax cuts will help the rich and hurt regular folks in Wisconsin. The top 1 percent (incomes over \$693,040) in 2027 get a total tax cut of \$201.4 million, with an average tax cut of \$7,870. But Wisconsinites earning under \$143,680 (bottom 80 percent) in 2027 see many facing higher taxes: 29 percent (726,000 Wisconsinites), with an average tax increase of \$82. And, 70 wealthy estates (not family farms or small businesses) in Wisconsin benefit from Senate estate tax cuts (CBPP).

On top of all of this the GOP tax cuts will add \$trillions to the national debt and do little for the economy (Washington Post). Moreover, the GOP will use the resulting higher deficits to justify massive cuts in domestic spending. GOP leaders have their sights on Medicaid, Medicare and Social Security. What to do?

Arizona GOP Senators Jeff Flake and John McCain, Maine GOP Senator Susan Collins and Tennessee GOP Senator Bob Corker must join Senate Democrats and vote no. Voters must hold Wisconsin GOP Senator Johnson to his professed opposition to both bills. The tax cuts are a bust for regular folks, including most Wisconsinites.

— Kaplan wrote a guest column from Washington, D.C. for the *Wisconsin State Journal* from 1995 - 2009.