

# Bill Kaplan: Tax cuts pass under dark clouds

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Senate consideration of the GOP tax cuts on Friday was overshadowed by dark clouds. Special Counsel Robert Mueller accepted a guilty plea from disgraced National Security Adviser Michael Flynn, who pled guilty to lying to the FBI. Then Flynn dropped a bombshell: “My guilty plea and agreement to cooperate with the Special Counsel’s office reflect a decision I made in the best interests of my family and of our country.” The plea agreement suggests more to come. Who directed Flynn to talk to the Russians? Was Trump trying to obstruct justice by leaning on and then firing FBI Director James Comey?

More clouds. The GOP-led Congress went through a pretense of regular order to consider and vote on the tax cuts. The House and Senate bills were drafted behind closed doors. There were no hearings with expert testimony, no Treasury Department analysis, nor was there any interest in working with congressional Democrats, and the tax cuts were jammed through Congress in a pell-mell manner. Then there were the lies.

House GOP Speaker Paul Ryan said that the nation faced “a crushing burden of debt, which will take down our economy.” Senate GOP Leader Mitch McConnell agreed: “I think this level of national debt (\$20 trillion) is dangerous and unacceptable. My preference on tax reform is that it be revenue neutral.” Just posturing. On the eve of Senate consideration of the tax cuts the nonpartisan Joint Committee on Taxation (JCT) said the Senate GOP bill would add \$1 trillion to the national debt. And, the JCT dismissed as wishful thinking that tax cuts would lead to a super-charged economy, magically covering the full cost. It gets worse.

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The Senate tax cuts are mostly for GOP donors (Washington Post), corporations, pass-through businesses and the rich – peanuts for the rest of us. The JCT reports that most folks earning less than \$75,000 will actually pay higher taxes by 2027. Why? The Senate tax cuts are temporary for individuals and families, but permanent for corporations. What about pass-throughs?

Wisconsin GOP Senator Ron Johnson, always a showboat, made a big to-do about standing up for Main Street pass-throughs. However, the New York Times opined: “About 70 percent of all pass-through income goes to people in the top 1 percent of Americans who receive any income whatsoever.” Johnson pressured McConnell to agree to more tax cuts for pass-throughs — \$114 billion (Washington Post). How much will Johnson and Trump benefit from their pass-through assets – and what about regular folks?

The Senate tax cuts passed early Saturday 51-49. Johnson voted yes, while Wisconsin Democratic Senator Tammy Baldwin voted no. Baldwin earlier said that the GOP bill was a “tax giveaway to the top 1 percent and powerful corporations.” Worst of all the tax cuts will increase the debt, lead to more inequality and limit the federal response to future economic crises. Moreover, it will lead to cuts in Medicare, Social Security and domestic spending. And, still no budget. One more dark cloud – a possible government shutdown. Soon.

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