

Flynn campaign: Issues statement on Trump/ Ryan tax plan

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Milwaukee, Wisconsin — Matt Flynn, candidate for governor, today issued a strong statement condemning the Trump/Ryan tax plan going through Congress, as well as a recent op-ed published by Scott Walker foolishly endorsing the plan.

Flynn said, “In his op-ed on November 19, Governor Walker promotes the Trump/Ryan tax cut proposal claiming it will be good for the economy and the middle-class. In doing so, he embarrasses himself by repeating frequently debunked opinions and made-up assertions about past experiences with tax cuts.

“Walker begins with a complete misunderstanding of the 1964 Kennedy/Johnson tax cut which resulted in the reduction of the top personal tax rate from 90% – a holdover from the way World War II and the early Cold War was paid for – down to 70%. Kennedy initially wanted 65%. Of course, such high rates were self-defeating. The situation is far different today, with the top rate currently sitting below 40%. In short, JFK advocated for a top marginal income tax rate that was fully 26% above our present rate and Congress passed a rate at 31% above our current rate.

“Walker then makes laughable claims about his record. ‘When I took office in 2011, the people of our state were suffering from record job loss and a multibillion-dollar budget deficit. We immediately set out to reform government, balance the budget and cut taxes. The results have been undeniably positive for the hard-working taxpayers of Wisconsin and for the bottom line of the state.’

“Walker poses as an expert in economic growth but the facts do not support him:

job growth in Wisconsin has been much lower than the national average, as has wage growth. Just across the river in Minnesota, both jobs and wages are growing much faster under economic policies virtually the opposite of what Walker has imposed upon the state.

“Prosperous states tax their private sector to provide assets that only government can provide, such as education, research, transportation, and infrastructure. These are the public-sector assets that enable the state to have a vibrant private sector. The public and private sectors must complement each other. After six years of Walker’s mismanagement, Wisconsin’s economy is hurting for job-creating investment. We are dead last among all 50 states in new business startup activity.

“Walker also claims: ‘Deficits? Gone. Our state’s economy is growing, and we’ve ended every year with a surplus since taking office.’ Hundreds of millions of dollars are borrowed outside of the operating budget, permitting a false sense of balance. Meanwhile, cuts to education have resulted in K-12 teachers leaving the profession and state in droves.

“Mysteriously, Walker mischaracterizes the corporate tax structure, claiming that American corporations pay the highest in the world. They don’t. The Treasury Department’s latest research shows that corporations pay an ‘effective tax rate’ of only 22% because some of the biggest pay no corporate income tax at all. Whereas the ‘statutory’ rate is 35%, the discrepancy is explained by loopholes. The danger is that the rate will be cut but the loopholes will not be eliminated, further reducing the effective rate, driving up the federal deficit.

“Donald Trump’s tax ‘reform’ is a massive giveaway to the very richest. It is part of a budget two-step: first cut taxes, driving up the deficit; then rebalance the budget with massive cuts to Medicare and Social Security.

“We should not be fooled: this has been tried before and failed—both in 1986, when Reagan cut corporate taxes, and again in 2003 when Bush cut taxes. The effect has been to drive up deficits while wages stagnated.

“Walker has the nerve to claim: ‘We’ve proven in our state you can cut taxes, create jobs, and generate budget surpluses at the same time. If it can work in Wisconsin, it can work for America.’ None of this has happened. Walker’s column deserves a Politifact ‘Pants on Fire’ rating.

“The result after seven years? Walker failed to meet his ‘minimum acceptable’ promise of 250,000 good-paying, family-supporting, private-sector jobs; failed to foster growth in business startups; and failed to improve wages, with median hourly wages now less than during the Doyle years. Furthermore, median family income is now nearly \$5,000 dollars below the real success: neighboring Minnesota. Your plan is not working, Mr. Walker.”

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Matt Flynn is a Navy veteran, attorney, and former Chair of the Democratic Party of Wisconsin. He attended law school at the University of Wisconsin-Madison.

For additional information, visit www.ForwardWithFlynn.com.