

One Wisconsin Now: Trump-Ryan-Republican tax plan axes federal deduction for student loan borrowers

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CONTACT

Mike Browne, Deputy Director
mike@OneWisconsinNow.org
(608) 444-3483

MADISON, Wis. — A smorgasbord of tax giveaways to the wealthiest and corporations unveiled today by Republicans in Washington D.C. eliminates a tax deduction for student loan borrowers. According to analyses of the plan, the itemized deduction for student loan interest will be eliminated as part of a scheme that slashes corporate tax rates and exempts estates worth up to \$10 million from the estate tax before ending it entirely.

“Big corporations with their armies of accountants and wealthy heirs are in line for massive tax breaks. Meanwhile, student loan borrowers who worked hard to get their education and took on the personal responsibility to pay for it lose their deduction for interest on their loans,” said One Wisconsin Now Program Director Analiese Eicher. “That’s just wrong.”

An earlier analysis of the outlines of the GOP tax scheme suggested the benefits would be massively tilted to go to corporations and the wealthiest, with meager benefits for everyone else. For example, millionaires make up less than 0.5 percent of all Wisconsin taxpayers but they would be larded with 54 percent of the value of the tax breaks. The average calculated benefit to the top 1 percent would be over \$75,000 every year.

Eicher noted that the elimination of the deduction is just one more sign of the hostility among many Republicans to the plight of 43 million Americans with a record \$1.4 trillion in student loan debt. The Trump administration has sought to roll back consumer protections to ensure borrowers are treated fairly by student loan lenders and to weaken regulations on predatory, for-profit colleges. Meanwhile GOP majorities in the U.S. House of Representatives and Senate have blocked common sense legislation to allow borrowers to refinance their federal student loans, just like you can with a mortgage.

She concluded, “The Trump-Ryan-Republican tax scheme is a windfall for a handful of the wealthiest, and another stick in the eye to 43 million hard working American student loan borrowers already struggling in a system that doesn’t treat them fairly.”