



WAYS AND MEANS  
COMMITTEE DEMOCRATS  
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## REPUBLICAN BUDGET TAX PLAN

### MASSIVE TAX CUTS FOR WEALTHY, TAX HIKES ON MIDDLE CLASS

**MASSIVE TAX CUTS FOR THE WEALTHY:** The Republican Tax Plan in this year's budget provides a massive tax cut to the wealthiest Americans by dropping the top tax rate by more than a third, from 39.6 percent to 25 percent.

**MORE GENEROUS THAN LAST YEAR:** The Republican Tax plan provides a more generous tax cut than last year's GOP budget – which reduced the top rate by 10 percentage points. The overall tax cuts, according to a [Tax Policy Center analysis](#), cost \$5.7 trillion, revenue that could not be made up without increasing taxes on middle class.

**MORE TAX CUTS FOR MILLIONAIRES:** The average millionaire would see a \$245,000 tax cut even if policymakers enacted extremely ambitious reductions in deductions and credits, according to an [analysis from the Center on Budget and Policy Priorities](#).

**MIDDLE CLASS FOOTS THE BILL:** To finance the tax cuts for the wealthy, families with children and income under \$200,000 would see their taxes increase by more than \$3,000 on average, according to the [Center on Budget and Policy Priorities analysis](#).

**STILL NO DETAIL ON CORPORATE TAX REFORM:** The Republican Tax Plan continues its rhetoric of base-broadening, rate-reducing corporate tax reform that brings the top corporate rate to 25 percent, yet STILL offers no details on how to do that. In fact, [previous estimates from the Joint Committee on Taxation](#) have shown that repealing all of the corporate tax expenditures, including provisions to encourage domestic investment and manufacturing, doesn't produce enough revenue to cut the rate to 25 percent.

**RETAINS ACA TAXES:** The Republican budget uses the ACA's revenue provisions (and Medicare savings) to achieve balance, but would repeal the coverage expansions that were paid for by the revenue and savings. Because the Republican budget keeps revenue at the current law baseline, it is clear that they have to either maintain these revenue provisions or find replacement policies. Republicans are keeping the money and repealing the benefits, including those that provide more than \$1 trillion in tax credits and other subsidies, as well as the Medicaid expansion, that enable middle class families and small businesses to afford health insurance coverage. Also likely gone: key market reforms, including those that prohibit insurers from discriminating based on pre-existing conditions, which can only work in a comprehensive coverage environment.