



# House Committee on Ways and Means

## Ranking Member Richard E. Neal

*Prepared by Ways and Means, Democratic Staff*  
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### **The Chilling Impacts of the Republican Tax Law** *Ways and Means Committee Democratic Progress Report*

In selling their tax law to the American people, Republicans claimed the new policy would provide “rocket fuel” to supercharge the economy. President Trump promised that the law would give every American worker a \$4,000 pay raise. Congressional Republicans assured voters that the law would primarily help the middle class.

Nearly six months since the President signed the law, these big promises have not come to pass. The [majority of Americans](#) aren’t seeing higher paychecks, the most well-off and well-connected are reaping the biggest rewards, and families are forced to spend the small benefits they received on higher prices for health insurance, prescription drugs, and gas.

Instead of increasing opportunity or strengthening financial security for Americans, the Republican tax law has had a series of negative impacts on workers and their families.

#### **Republican Tax Law Progress Report**

- ✗ Put the middle class first
- ✗ Provided real relief for small businesses
- ✗ Increased American families' financial security
- ✓ Provided massive tax cuts to big corporations and wealthy executives

#### **Higher Costs and Less Coverage for America’s Patients**

- The Republican tax law dismantled a central feature of our nation’s health care system, causing millions of Americans to lose insurance, and causing premium hikes across the nation.
- Already, states are predicting premiums will skyrocket even higher in 2019 [because of Republicans’ actions](#).
  - Insurers in Virginia have proposed a [64 percent increase](#) in premium costs for next year.
  - In Maryland, the [average rate increase](#) insurers have requested is 30 percent, with some requesting as much as a 91 percent premium increase.
- As former Trump Administration Secretary of Health and Human Services [Tom Price](#) said, the Republican tax law “*actually will harm the pool in the exchange market because you’ll likely have individuals who are younger and healthier not participating in that market. And, consequently, that drives up the cost for other folks in that market.*”

- Due to actions taken by the Trump Administration and congressional Republicans, [4 million](#) Americans have lost health insurance in the last two years.
  - In fact, the uninsured rate increased in [17 states](#) last year, and 2017 was the first year since 2014 that uninsured rates did not decline in a single state.
- Because of the Republican tax law, coverage losses will continue.

### **A Ballooning Debt – Tax Cuts Do Not Pay for Themselves**

- The Republican tax law adds [\\$2.3 trillion](#) to the debt – the GOP is not the party of fiscal conservatism.
- Because of the Republican tax law and President Trump's irresponsible policies, the U.S. Treasury is now borrowing money at a rate of [\\$5.4 billion per day](#).
- As part of their disingenuous stunt to address the deficit, President Trump and congressional Republicans plan to pass a package of funding cuts that represents a mere [0.4 percent](#) of total government spending this year, but slashes resources for the Children's Health Insurance Program (CHIP).
- Republicans plan to use the debt increases that they have recklessly caused as rationale to [cut](#) Social Security, Medicare, and Medicaid, benefits that Americans have paid into and earned through decades of hard work.

### **Layoffs**

- Despite raking in billions of dollars of benefits from the Republican tax law, corporations are laying off thousands of workers. For example:
  - Kimberly-Clark explicitly credited its savings from the Republican tax law with enabling the company to lay off [5,000 workers](#).
  - Despite estimating its benefits from the tax law to be [\\$2.2 billion per year](#), WalMart laid off [7,500](#) employees.
  - Macy's predicts the Republican tax law will result in [\\$650 million](#) of savings, but the company still laid off [10,000](#) workers.
  - AT&T kicked off 2018 with an extra [\\$3 billion](#) thanks to the Republican tax law, yet the company laid off more than [4,000](#) employees.

### **Rewards for Wealthy Investors, Not Workers**

- Corporations aren't investing their tax savings in their workers, they're rewarding their wealthy shareholders. Meanwhile, the majority of Americans aren't seeing their paychecks grow.
- So far in 2018, corporations have announced more than \$400 billion in corporate stock buybacks, which overwhelmingly benefit executives and shareholders. Meanwhile, those same companies are laying off workers. For example:
  - Qualcomm – laying off [1,500](#) workers and announced a [\\$10 billion](#) share buyback program.
  - Wells Fargo – closing [900 branches](#) and announced a [\\$22 billion](#) share buyback program.
  - Harley-Davidson – laying off [800](#) workers by shutting down a plant and announced a [\\$696 million](#) share buyback program.
- Who profits from these buybacks? The top 10 percent of Americans who own 84 percent of stocks, not middle-class workers.
- As Republican Senator [Marco Rubio](#) said: *“There is still a lot of thinking on the right that if big corporations are happy, they're going to take the money they're saving and reinvest it in American workers. In fact they bought back shares, a few gave out bonuses; there's no evidence whatsoever that the money's been massively poured back into the American worker.”*