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The Ryan/McConnell Tax Plan Puts the Wealthy First

Fails to follow through on Trump's Promise

Democrats support tax reform that puts American families first.

- Democrats' primary focus in tax reform is middle-class families. That means creating jobs and boosting wages – and giving hardworking, middle-class Americans the relief they need to get ahead.
- Job creation programs, enhanced investment in our community colleges and vocational technology institutions, relief for child care and education expenses, making homeownership affordable and attainable and incentives to strengthen the retirement security of Americans – these are what hardworking American families are looking to the Congress to enact in tax reform.

In contrast, the Republican plan puts the wealthy first and fails the President's own middle-class test.

- Earlier this month, President Trump created the “Trump Test” and promised that wealthy people “will not be gaining at all with this [tax] plan.” He further suggested that if their tax rates “have to go higher, they’ll go higher.”
- The Republicans have failed the Trump Test miserably. Under their tax plan, the wealthiest Americans will win large tax cuts.
 - For example, the Republican tax plan would lower – not increase – the top individual rate from 39.6 to 35 percent benefitting only the top 1 out of 100 households.
 - Unless Republicans truly limit the new, lower pass-through rate of 25% to business income of “small, family-owned businesses,” this proposal will become another major loophole for wealthy individuals. This is because many wealthy people will be able to game the system and structure their pay to come in the form of this low-rate pass-through income instead of the rates that workers face on their wages.
 - The plan also would eliminate the estate tax and individual AMT.

Democrats oppose any tax plan that heaps more advantages on the affluent while doing nothing for middle-class families.

- Democrats reject the Republican fixation on trickle-down economics, which no reputable economist still supports. Democrats instead believe that the true winners of tax reform must be middle-class Americans and families.
- Democrats will oppose any tax plan that leaves middle-class taxpayers to carry even more of the tax burden.

The Republicans' vision of tax reform explodes the nation's deficit.

- Tax reform must be done responsibly and ensure that all Americans pay their fair share. Republicans are resolute in their commitment to using a partisan reconciliation process to jam through trillions in deficit-busting tax cuts for millionaires and corporations.
- The Republican tax framework fits into their vision for the role of the Federal government: starve the programs that working Americans rely on to pay for tax cuts for the wealthy and corporations. The opening act was the Republican health care bill that made billions in tax cuts and gutted Medicaid; the upcoming, self-styled "tax reform" budget is the main event. It is clear that Republicans favor awarding tax cuts to the wealthy rather than making meaningful investments to grow the economy.
- The future under Republican orthodoxy is clear: trillions in deficit-financed tax cuts for the wealthy and for corporations, which clear a path to cut vital programs like Social Security and Medicare to fill the tax cut deficit "hole".