

Middle-class tax cuts? Give us a break.

The new tax law reveals the cynicism and greed of GOP leaders.

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“We are giving the people their money back,” exulted House Speaker Paul Ryan as Congress approved a massive overhaul of the tax code, which was signed into law by President Trump days before Christmas.

It would be more accurate to say that Congress is giving corporations and wealthy Americans their money back. They are the clear winners under the new law, which cuts the top rate for high earners and gives lower-income workers only modest and temporary tax breaks.

The Tax Policy Center estimates that those earning \$25,000 will get an average annual tax cut of \$60, or 0.4 percent of after-tax income. That’s hardly one trip to the grocery store. Meanwhile, taxpayers with income between about \$308,000 and \$733,000 will see an average tax cut of about \$13,500, or 4.1 percent of after-tax income. Estimates are that in ten years, when rate cuts for individuals are phased

out, nearly 70 percent of families with income between \$55,000 and \$93,000 a year will be paying more in taxes than they are now.

The law also provides a windfall deduction for real estate developers (like the president). It allows individual business owners to pay taxes at a rate lower than the individual rate, and it encourages high earners to shield their income from taxes by setting themselves up as a business.

The law phases out the Affordable Care Act's mandate for individuals to purchase health insurance, which will raise rates and likely lead to 13 million Americans losing their health insurance. Cynically, the makers of the law count this expected outcome as a revenue enhancer—it means fewer people will be seeking out the insurance subsidies they would have had under the ACA.

Perhaps most cynical of all, the makers of the law are blithe about the fact that it will expand the deficit by over \$1 trillion over ten years because they see that very problem as enhancing their next agenda: they plan to cite worries about the deficit as reason to cut programs that provide for the hungry, sick, poor, and elderly.

Proponents of the law proclaim that it will be the engine of economic growth which will benefit everyone. Most economists are skeptical of that claim. Whatever benefits emerge are likely to accrue mostly to the wealthy in the form of higher stock values and dividends.

Paying taxes is a form of solidarity. It's the mechanism by which we all support a shared life. In that view, a tax code is a society's answer to a moral question: How should each person (and corporation) contribute to the common good?

This law answers that question in a resounding, unmistakable way. Reversing an ancient moral precept, it declares that the costs of our life together should be borne most by those least able to afford them and that the benefits should go mostly to those who need them the least.

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