



## Trump's "Massive" Middle Class Tax Cut is Pure Bunkum

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July 28, 2017

#45 Trump said it officially back in February in his address to Congress. And he's said it again and again in assorted speeches and interviews since then. The "it" is that he'll provide—his words- "massive" tax relief for the middle class. He didn't spell out exactly what that "massive" cut would be. There's a reason for his haziness. It's pure bunkum. The Trump tax cut plan has been picked apart from every angle and it still comes up the same. The rich get richer, a fabulously lot richer. Their tax rates will be slashed practically to the bone. The extra added tax goodies from it will pile up from there. The investment income tax, and alternative minimum tax are eliminated. The estate tax will be virtually eliminated in all but name. The corporate tax will be hacked down to next to nothing.

The wealthy will pocket nearly \$3 million of the estimated \$6 trillion in tax cuts according to the Tax Policy Center. Surely, some of that must flow the middle class's way. Well it depends on who's labeled middle-class. If the income of a middle-class family lands somewhere just south of \$150,000 and north of \$50,000, they'll rake in a little more than 10 percent of the Trump tax cut. Anyone making less than that their share of the Trump tax cut is a bare digit blip on the chart. The highest income middle class rollers will pocket the grand total of about \$1,500 more a year in spending money. That's less than one-tenth of the extra cash that the top income earners will rake in.

It's not just dollars, percentages and who pays what and where the taxes they pay, are rather don't pay go, that drives the Trump giveaways to himself and his wealthy and corporate cronies. The Trump tax plan peddles the same tired myth that the wealthy and corporations are ridiculously overburdened with crushing taxes. The mega corporations and banking entities have long had an endless storehouse of tax dodge schemes to pay zero or minimum taxes on their sales and investments. This is especially the case when they do business abroad and those tax avoidance gambits are perfectly legal.

Tax laws allow companies that do business outside the U.S. to park their profits — that's cash — in offshore accounts, and they are exempt from taxing as long as they stay there. In a candid moment, a few years ago Apple CEO Tim Cook said as much when he explained how Apple made billions abroad and paid no taxes on the income. The fallback retort of corporate tax dodgers is that they pay billions in U.S. taxes on their operations here, so there's no issue.

This is an absurd argument. These companies are American-owned and operated firms, and worse, they pay little or no taxes in the countries where they sell their products. A decade ago, the libertarian Cato Institute documented nearly \$100 billion in direct and indirect subsidies that the banking industry and major corporations grabbed from the federal government. This figure doesn't include the billions more in direct and indirect subsidies from state and local governments. This figure almost certainly is even higher today.

The federal agencies that shell out the corporate welfare largess are unchanged. The Tax Foundation in its annual reports estimate that corporations will receive more than a half trillion in government entitlements spread over the several years in the form of an array of tax breaks and loopholes. The partial checklist of those breaks includes: the Graduated Corporate Income Credit, Inventory Property Sales, Research and Experimentation Tax Credit, Deferred Taxes for Financial Firms on Certain Income Earned Overseas, Alcohol Fuel Credit, Credit for Low-Income Housing Investments, Accelerated Depreciation of Machinery and Equipment, the Deduction for Domestic Manufacturing, Exclusion of Interest on State and Local Bonds and Deferral of Income from Controlled Foreign Corporations. Every major corporation and bank is and has been in on the subsidy grab for years.

The billions doled out in corporate welfare annually dwarf the amount the federal government pays out to the states for welfare, food stamps, child nutrition programs and other support programs for the poor and needy. However, these are the programs that are in Trump's bullseye to be cut or eliminated. They are convenient, popular and emotionally rousing programs that stir the ire of millions and routinely ignite rants against welfare queens, leeches and the entitlement chiselers. To brand a corporate or banking head that receives millions in direct or indirect government handouts lazy and slothful is unthinkable.

Trump has appropriated the stereotype of a "government leech" into the perennial political attack point that the government is too big, wasteful and intrusive. And that those who appear to benefit most from government should pay the most for it.

This is the kind of argument that's always stirred middle-income earners into a tizzy. Trump has crudely played on that anger to sell them on the notion that he'll do something about their tax burden. The figures say otherwise.