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Political spin from the left

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Political "spin" has been around since Thomas Jefferson, but lately Democrats seem to have smashed the credibility barrier.

In connection with the lead up to release of Congressman Devin Nunes', R-Calif., memo summarizing non-public testimony given under oath before his committee, his minority counterpart, Congressman Adam Schiff, D-Calif., cut loose with a series of chilling warnings against the pending release.

Gannett newspapers carried a political cartoon depicting a unicorn with a horn longer than its body reciting Schiff's hyperbole: "An organized effort to obstruct," "it's been secretly altered," "deliberately misleading," "putting national security at risk," "sources and methods will be revealed," "the FBI has grave concerns about releasing the memo," "this would be extraordinarily reckless."

When the memo was released to the public none of the warnings were true. Now, predictably, Schiff has peppered the Democratic "memo" with classified information which Trump is requiring to be redacted before release so the Democratic "spin" machine now accuses Trump of hypocrisy.

The new tax law will, in fact, lower taxes for the middle class and raise taxes on the wealthy who live in high tax states like New York, California, New Jersey and Illinois.

In the run up to the tax reform bill House Minority Leader Nancy Pelosi, D-Calif., warned of "Armageddon," if it passed; Senate Minority Leader Chuck Schumer, D-N.Y., screamed: "tax breaks for the rich." Once passed and signed into a law reducing the corporate tax rate from 35 percent to a more world-competitive 21 percent, major corporations began to announce employee bonuses and increases in hourly wages.

The Pelosi/Schumer response: "crumbs!" and "Corporations will use their savings for dividends and stock buybacks."

In fact CATO Institute's Gerald O'Driscoll recently told a Reno audience that their studies show that "about 70 percent of corporate tax savings goes into middle class paychecks."

The new tax law will, in fact, lower taxes for the middle class and raise taxes on the wealthy who live in high tax states like New York, California, New Jersey and Illinois. The reason is that the federal tax deductibility of state and local taxes has been capped at \$10,000. Here's how that's going to work: the zip code where folks with the highest median income in California live includes Atherton; the median household income is \$243,542. The median value home is \$4.95 million.

Anyone in that median income percentile would owe \$9,230 in California income taxes and \$49,500 in county real property taxes, a total of \$58,730. Under the old law that total would be subtracted from taxable income on the federal return saving \$14,100 in federal taxes. Under the new tax law only \$10,000 of state and local taxes can be deducted reducing the saving to just \$3,200, an effective tax increase of \$10,900 per year.

Meanwhile in Nevada zip code 89411 (Genoa) has the highest state median income of \$128,800 and highest median home value of \$732,600 (barely edging Incline Village where median home value is \$722,900). Nevadans in that median percentile would owe zero in Nevada income taxes and about \$7,300 in county real estate taxes. Our median income/median home value Genoa family would owe federal taxes of \$23,677 for 2017 and \$21,219 for 2018, a reduction of \$2,458 or a little over 10 percent. So Pelosi and Schumer's "spin" is the exact opposite of the truth.

Democratic legislators in California and other high tax states are just beginning to discuss their own plan to give "tax breaks to the rich." They are actually crafting legislation that would create charitable institutions to receive state and local tax payments and pass them on to the state and municipal entities.

That would allow Atherton residents (and other high tax state residents) to bypass the \$10,000 cap and deduct taxes as "charitable contributions."

Overbroad claims by Democrat congressional leaders and state laws enabling federal tax evasion by the wealthy will not sit well with independent voters.