



## Trump tax plan stands to benefit the man in the White House

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Yesterday the Trump administration released its tax-reform plan, which the White House is calling the "biggest individual and business tax cut in American history".

Gary Cohn, the director of Trump's National Economic Council, told reporters Wednesday that the higher standard *deduction* means that fewer people will have to file itemized deductions to reduce their taxable income, which could lead to a simpler tax return.

"Let me just say this isn't about President Trump's tax returns; this is about the American public's tax returns", Mnuchin said.

But Trump's proposal lacks the hard details about making the tax code simpler and more efficient in ways that don't add to the federal government's mounting debt.

This much we do know.

He also noted the importance of Congressional support for tax proposal success.

"We have a once-in-a-generation opportunity to do something really big", Cohn said as he presented the individual tax code plan. In addition to the current 35 percent tax on corporate profits, any dividends paid by corporations also are taxed as investment income received by the shareholders who collect them, at rates up to 23.8 percent.

"The Trump *outline* sets up a good starting point for the larger tax cut discussion that our nation needs to have". It was "about" wonderful things like jobs and reducing *deductions* and economic growth and our hard-pressed middle class.

So the numbers are speculative, with many unanswered questions, such as what income levels the simplified **tax brackets** - **10, 25 and 35** percent - would apply to.

The plan would slash corporate taxes and almost **double the standard deduction**, to \$24,000 for married couples.

During the campaign, Trump released a tax proposal that would eliminate the personal exemption. No other state except NY had a higher proportion of income deducted due to state taxes. *Some* of the changes could significantly lower the tax bill of Californians.

"The details of taxes are very complicated, and we're committed to working quickly and getting this done", he later added. It is striking how numerous categories listed above affect the president and his family.

Steve Witkoff, a New York-based real estate developer and a friend of Trump, defended the proposed tax changes, arguing that they could foster an environment in which more Americans take the sort of financial risks that create jobs and feed prosperity.

Chris Edwards of the Cato Institute offers kudos to Trump for taking charge and thinking boldly, particularly on business tax reforms.