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Independent News

Trump claims he will pay more under new tax plan

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Finally, the new administration has presented the long-awaited tax plan. Still, there are reasons to be wary about *some* of the claims coming out of the White House about it. The president has released plenty of information, and I think he's given more financial disclosure than anybody else.

"The president has no intention", Mnuchin said, last week during the announcement, referring to the possibility of Mr. Trump releasing his tax returns.

"We are a poor state", Bailey said.

Spicer was asked about 401 (k) accounts in particular, following remarks Wednesday by Trump's National Economic Council Director **Gary Cohn**, who said "homeownership, charitable giving and retirement savings will be protected".

So how ambitious is it? The new plan would reduce that to more than half, at just 15%. The 3.8 percent Obamacare tax on dividends and capitals gains will be repealed.

The introduction of a "one-time tax" on the trillions of dollars held by corporations overseas.

Congress should insist on it - especially before approving any tax overhaul. Tax experts are skeptical, and they're backed up by history. "With demand for services outpacing local incomes and employment, state and local governments will continue to lean on property taxes to meet expenses".

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

"No tax cut has ever been self-financing", said Howard Gleckman, a senior fellow at the nonpartisan Tax Policy Center. It has the *potential* both to jump-start economic growth and ease the burden on middle-class taxpayers. It is unclear how serious a demand that is, but at the very least, cutting taxes and overhauling the system to the extent the Trump administration wants is going to require lengthy negotiations and compromise, and the final outcome is far from assured.

However, many economists are skeptical about that argument, as the USA economic growth will average about only 1.9 percent over the next ten years, according to the nonpartisan Congressional Budget Office. But Cole forecasts growth would increase by only half that amount, resulting in ballooning deficits.

Trump's team has refused to disclose many key details of the plan, but it appears to benefit the wealthy and corporations while doing little to help middle- and lower-class families.

The lack of specifics makes it hard to say precisely how the cuts would be distributed.

Most economists will tell you that lower business tax rates tend to lead to higher economic growth and higher job creation.

Biggest individual winners: billionaires and multimillionaires, like Trump himself, who would see their top tax rate lowered to 35 percent from 39.6 percent, but who would also be freed from paying the alternative minimum tax.

Even with the standard *deduction* doubling, the average taxpayer may not save much money from the new **tax plan**.

For individuals and families, Trump's plan more closely resembles a blueprint released by House Republicans a year ago.

Earlier this month President Trump told Bartiromo there could be up to \$5 trillion trapped overseas, in Cohn's opinion, those profits could be used boost USA businesses and fuel hiring. As of yet, the plan, for instance, has no income brackets for the three tax rates of 10 percent, 25 percent and 35 percent. The true effect will depend on how the Trump administration defines a small-business owner.

President Donald Trump's plan to overhaul the nation's tax code could provide significant tax cuts for the working-class voters who elected him, but the unknowns could end up hurting many of these core supporters of the president.

It's also impossible to know what sorts of new or different tax breaks will be available for child care or elder care.