

# THE MORNING CALL

## Gauging support for Trump's tax plan ahead of Pennsylvania visit

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With a newspaper spread out before him, Robert Fasano sat at a library table in a leafy central Pennsylvania borough trying to glean as much as he could about President Donald Trump's tax reform plan.

"As far as fully comprehending it, I'm not 100 percent sure," Fasano said at Fredricksen Library in Camp Hill, Cumberland County.

So he sat reading The Wall Street Journal, trying to learn more about the plan the president will tout Wednesday when he hosts an invitation-only roundtable discussion in the Harrisburg area.

For now, Fasano, a 67-year-old retiree, isn't sure how the tax plan would affect the single lifestyle he leads with Social Security and investment earnings of between \$80,000 and \$90,000. If he got a tax break in 2018, that would be great, Fasano said. But if the proposal increases his taxes that would be OK, too, because he says he has the money to cover it. And if the plan boosts the nation's debt that's fine too, because he reasons he'll be gone before the country's debt problems are under control.

All Fasano said he wants now is for congressional Republicans and Democrats to drop partisanship and work with the president to make the tax code easier for all Americans to understand.

"I'd like it to be more simplistic," said Fasano, a registered Republican.

Trump has visited central Pennsylvania more than half a dozen times during the campaign and since his inauguration. It is a region of the state that has traditionally voted Republican. And more of those Republicans winning elections in Cumberland County, on the west shore of the Susquehanna River, are fiscally conservative, and support tax breaks and oppose government debt.

In this county, trimming the tax code — which is more than 10 million words according to a Tax Foundation estimate — was what Fasano and other adults of various ages and party affiliation said in interviews Monday they liked about the president's proposal. But they differed on their views about how an abridged tax code could affect society.

Exact details of the plan, a blueprint that includes components largely favored by congressional Republicans, have not been released.

The Tax Policy Center, a nonpartisan think tank in Washington, D.C., said the plan would reduce the corporate tax rate by 43 percent to 20 percent, not as low as Trump wanted. It would cut a small business tax about 38 percent, to 25 percent. It would repeal the so-called estate “death tax.” It would stop taxing U.S. corporations’ off-shore profits.

For individuals and families, the think tank said the code would be trimmed to three individual minimum tax rates (12, 25 and 35 percent). The plan would increase the standard deduction to \$12,000 for individuals and \$24,000 for families, who also would get a higher child tax credit.

At the same time, the plan would eliminate most personal exemptions and most itemized deductions, including the local property tax write-off. Mortgage-interest and charitable-donations deductions would remain.

Those changes would equate to a \$1,600 average tax cut in 2018, the think tank found. The nation’s highest earners would get the biggest cut; the lowest earners would see the smallest.

Not everyone would benefit. In 2018, about a third of the upper middle class tax filers who earn between \$150,000 and \$300,000 would pay more because of lost deductions, the think tank said. By 2027, those earning \$50,000 to \$150,000 would pay more.

The plan would cause the government to lose a net \$2.4 trillion in tax revenue over the first decade without equal spending cuts or the influx of new tax revenue generated by the cuts.

The easiest way to reduce that deficit is to block-grant Medicaid, the joint federal/state health care program for those with low incomes, the elderly and the disabled, said Chris Edwards, a tax policy expert at the Cato Institute, a business-centric think tank in Washington, D.C. At the same time, he said, cutting the corporate tax rate would encourage investments, resulting in more U.S.-based factories buying machinery and hiring more people at higher salaries.

Studying at Fredricksen Library, Michael Wycha, 42, an American studies doctoral student and lecturer at Penn State University, doesn’t buy the notion that tax cuts improve the economy. Republicans, he said, have used that economic philosophy for decades and it doesn’t work. He noted the Reagan tax cuts were followed by tax increases.

Wycha doesn’t like how he would lose the ability to write off books, conference travels and other work-related expenses under the GOP plan. “Deductions have been the backbone for how the tax system has worked for decades,” said Wycha, a Democrat and father of one.

Sitting at a nearby table, retired Baptist pastor Chuck Cole, 70, said he’d like to see the code simplified but for deductions still to have value. Although Cole said he’s never earned more than \$50,000 annually, he doesn’t begrudge the wealthiest people getting the biggest break.

Cole’s skeptical that the tax breaks will invigorate the economy. People and companies will spend the proceeds, and savers will save, he said. “It’s not going to change the basic nature of people,” Cole said.

Twenty miles away in Carlisle, the county seat, Susan Shipp, a registered independent, sipped a latte at Denim Coffee while her high-school-age daughter toured nearby Dickinson College. The homemaker from Cabin John, Md., said her upper middle class family might be hit by higher

taxes and fears the government may pay for the cuts by curtailing programs that benefit the lowest income brackets.

“I am all for a simplified tax code,” Shipp said. “It’s ridiculous how complicated it is. But I’ve yet to hear how they will offset the tax cuts and that worries me more.”

On Wednesday, Trump will be in the area to explain more.