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Leftist Group Retracts Flawed Analysis of GOP Tax Plan

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When catering to a political ideology matters more than seeking after objective truth, then the credibility of one's findings is properly questioned. The Tax Policy Center (TPC) issued and then retracted its analysis of the House Republicans' Tax Cut and Jobs Act (TCJA) this week, stating, "TPC staff found an error in the preliminary distributional analysis of the Tax Cut and Jobs Act that we released today. This error involved the additional child tax credit component of the proposed legislation." The TPC had recently produced an analysis of the Republicans' plan in which it claimed "at least 12% of taxpayers would pay higher taxes … in 2018 and at least 28% … would pay more in 2027." Now the TPC is saying, oops, uh, never mind.

The truth is that the TPC has a leftist anti-Republican bias. As Chris Edwards, a tax policy expert at the Cato Institute, explained, "The real issue is that the Tax Policy Center tilts to the left in the assumptions it uses in simulations of tax plans, and in the way it presents findings. The Tax Policy Center undercounts the dynamic efforts of economic growth from tax reform, and it presents study results in ways that appear to show high-earners do the best under Republican tax reform plans."

In early October after the TPC claimed that 50% of the GOP's tax plan would benefit the top 1%, The Wall Street Journal in calling out the center's leftist bias wrote, "The Tax Policy Center is a joint project of the left-leaning Brookings Institution and the Urban Institute that the media routinely labels 'nonpartisan.' Its record of hostility to any GOP tax reform that cuts tax rates shows the opposite. And the latest evidence of bias is its willingness to jump to conclusions about the GOP plan before crucial details are known." Like former FBI chief James Comey, and his mysteriously edited decision to exonerate Hillary Clinton, it seems the TPC had already decided the TCJA plan was bad simply based on the fact that Republicans were creating it. Furthermore, like the Congressional Budget Office and its static analysis practices, the TPC seems to view taxes as government-created revenue, to which the only way to create more revenue is by raising taxes, rather than tax cuts that have been proven to grow revenue by growing the economy. The White House defended the GOP's tax plan by pointing to a Tax Foundation study that found the Republican plan would spur GDP growth by 3.9%, eventually reaching 4.4% annual economic growth, while creating 975,000 full-time jobs.

If tax cuts lead to more people working and earning more money, then that equals more people paying taxes, which in turn means more money going to the government. And theoretically, if more people are working, then there would be fewer people in need of welfare, costing the government less money. But then that would mean fewer people dependent upon the government. A bridge too far for Democrats?