

## **I'll give you the biggest tax cut EVER promises Trump as he says he will unveil tax reform plan next week**

- **His 100 day mark in the horizon, Trump said his administration will have it ready by 'Wednesday or shortly thereafter.'**
- **White House noted that he gave himself wiggle room in the statement**
- **Treasury Secretary Steven Mnuchin suggested this week that an original August deadline for reform to pass was unlikely to be met**
- **He found himself publicly rebuffed by Trump, who's motto as a developer was 'on time, under budget'**
- **Trump assured an audience Tuesday that it would get done that quickly - if lawmakers hustle on health care**
- **Unclear what's in the proposal - neither the White House nor Treasury are saying**
- **Border adjusted tax House tax committee's chairman wants is a sticking point**
- **A proposal floated this week to end a deduction rich people get for giving large amounts of money to charity would anger conservatives**
- **Trump needs almost every Republican to go along with his plan, otherwise he'll have to plead with Democrats**

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President Donald Trump says he'll be rolling out his tax package next week, and it will contain the largest cut in American history, as he'd previously promised.

Trump told the Associated Press that businesses and individuals will be getting a 'massive tax cut' if his plan passes.

He wouldn't give away the details of the proposal, yet asserted that it will be 'bigger I believe than any tax cut ever.'

His 100 day mark in the horizon, Trump said his administration will have it ready by 'Wednesday or shortly thereafter.'

Trump's Treasury secretary, Steven Mnuchin, had said the plan would be out soon, though he did not offer the Wednesday timeline. The White House has previously said the proposal would be done by the end of March.

Tax reform is coming: The president says the package will be released on 'Wednesday or shortly thereafter' - just before his 100 day mark in office

Treasury Secretary Steven Mnuchin (right, today) initially set a goal of getting tax reform passed by August, but that deadline has slipped. Mnuchin now says the administration still hoped to get a bill passed well before the end of the year

Trump teased the package on Friday afternoon during his first visit to the Department of Treasury. He did not provide additional details on what it would contain, however

Mnuchin suggested this week that an original August deadline for reform to pass would also be blown and found himself publicly rebuffed by Trump, who's motto as a developer was 'on time, under budget.'

Trump said his administration was 'on time' with tax reform, even though it's nearly the end of April.

The Republican president, who's a billionaire in his own right, teased the tax package on Friday afternoon during his first visit to the Department of Treasury.

He did not provide any details on what would be in it as he promised again that it would be out before his first 100 days in office have concluded.

'We'll be having a big announcement on Wednesday having to do with tax reform,' was all he said after signing an executive order that dealt with another aspect of the tax code. 'The process has begun long ago, but it really formally begins on Wednesday,' he added.

Making his wishes clear, Trump ordered Mnuchin to 'go to it.' His cabinet secretary got the message. 'All right, Mr. President,' he said.

But even the White House was walking back Trump's pledge no sooner than it had left the president's mouth.

'I would also point out the fact that he gave himself some wiggle room with the "or shortly thereafter,"' an official told CNN, referring to the time frame Trump offered in the AP interview.

Mnuchin told reporters earlier in the day, during a briefing on the memos Trump signed this afternoon at Treasury, the administration was 'very close to coming out' with its plan.

'The president is focused on this. It has been one of his biggest priorities to create economic growth and we are very focused on that,' Mnuchin said.

The cabinet official said that he's been meeting with the head of the House's tax committee every week for the last month or two, and their staffs have been meeting as often.

'We will be working with Congress on a comprehensive tax reform package,' Mnuchin said.

Without going into detail, either, Munchin said the driving idea of the plan is to simplify personal taxes, solidify middle income tax cuts and make business taxes more competitive.

'President Trump...he understood how complicated tax reform was even before he became a candidate. Tax reform is way too complicated, he said during the campaign, and we've said now,' Mnuchin told White House reporters.

President Donald Trump and Treasury Secretary Steven Mnuchin walk back to the White House from the Treasury Department after Trump signed an executive order to review tax regulations

President Donald Trump greets people as he arrives at the Treasury Department, which is next to door to the White House

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White House Press Secretary Sean Spicer declined to offer an outline of the deal at an off-camera briefing just afterward.

'I'm not going to even start to talk about the nature of tax reform,' he said. 'They've been working for a while now with House and Senate leaderships in undergoing the process of engaging with various stakeholders, but I'm not going to start talking about what's in and out.'

Trump has been promising mammoth reforms to the nation's tax structure that he says will help corporations and low-to-middle income Americans.

He told Fox News' Jesse Watters in a March interview, 'We're going to get a big reduction, we're going to bring business down from 15% to 20% from 36% and 38% and higher in some instances.

'We are the highest taxed nation in the world. And we are going to bring taxes way down,' Trump said. 'And for middle income, we're also getting rid of brackets. We are going from 7 to 4 or 3 brackets. And that will be such a pleasure.'

At that time, Trump said Americans with limited income could see their tax burden go down to zero.

'I would like to see zero if you don't make much. Like zero, and that's what it's going to be, it's going to be zero up to a level,' he said. 'Then it's going to be 12.5%, 15%. It's going to be 10%.'

His proposed tax cut is expected to rival the one Ronald Reagan introduced and passed his first year in office, 1981.

'It will be the biggest tax cut since Reagan and probably bigger than Reagan,' Trump told Fox News in the March interview.

'We'll be having a big announcement on Wednesday having to do with tax reform,' Trump said after signing an executive order dealing with another aspect of the code. 'The process has begun long ago, but it really formally begins on Wednesday'

Mnuchin sowed doubt this week that the tax reform package could pass before August recess, though he still believes it will get the approval of the legislative branch this year.

'It is fair to say it is probably delayed a bit because of the health care,' he said in an interview with the Financial Times.

President Trump countered that on Tuesday, saying that it's on time. Or at least it will be, if Republicans vote to repeal Obamacare fast enough, he acknowledged.

'We're also working with Congress on tax reform, and simplification, and we're on time,' Trump told an audience at the Snap-On Tool headquarters in Kenosha, Wisconsin. 'If we get that health care approval.'

Trump told the crowd that they needed to get in touch with lawmakers in order to usher a Republican health care bill through. Then tax reform would quickly follow.

'So press every one of your congressmen, press everybody, because we want to get that approval and it just makes tax reform easier and it makes it better and it's going to make it steeper, it's going to be bigger and that's what we want to do,' the president proclaimed.

Either way, Trump suggested, a tax reform package was in 'good shape.'

'We have the concept of the plan,' he said. 'We're going to be announcing it very soon.'

But he said again, 'We have to get health care taken care of...And as soon as health care [gets taken] care of, we are going to march very quickly, you're going to watch, we're going to surprise you.'

'Right, Steve Mnuchin? Right?' he said, calling out to his secretary of Treasury.

The Hill reported Wednesday that the administration is considering the unusual move of capping deductions for contributions to charity.

That would limit the tax breaks wealthy Americans get for making donations of cash and other assets.

A senior Senate aide said the idea is 'within the realm of possibility,' although it's a long way from becoming policy.

White House spokeswoman Natalie Strom told The Hill that 'all options are on the table until we have a plan to announce.'

The top marginal income tax rate of 39.6 percent applies to taxable income over \$418,400 for single filers and \$470,700 for married couples who file joint tax returns.

While lower- and middle-class Americans often get tax deductions for making modest contributions to churches and community charities, the upper crust is more likely to donate in five- and six-figure amounts.

A \$100,000 contribution to a cancer charity, church or university, for instance, might ricochet \$39,600 back to high-earning taxpayers.

The Hill noted that right-wingers would also be likely to object: A conservative article of faith is that the government's social safety net should be supplanted in many cases by charities funded at the local level.

**DON'T CELEBRATE YET:** Trump needs to win over conservatives and moderate Republicans in Congress to get a tax deal. It's not going to be easy

Trump will need conservatives if he's going to have any shot of getting tax reform. Democrats have made it clear they'll oppose his plan in if it goes too easy on rich Americans like him.

Another sticking point on reform is whether to implement a 'border adjusted' plan that would tax imports.

House Ways and Means Chairman Kevin Brady has pushed aggressively for the BAT, which he says will help the US compete against Canada, Mexico and China.

'Our competitors are driving much newer, faster models of tax codes. That's why we have to stop taxing worldwide. That's why we have to border adjust our taxes so that we can get into a competition and win worldwide,' Brady has said.

But some Republicans are against such a plan. Economists from two right-of-center think tanks called the border adjusted tax 'a dodgy sales pitch' his week in an op-ed for the Wall Street Journal.

'What matters from a competitive perspective is whether the playing field is level—and it is,' Veronique de Rugy of George Mason University's Mercatus Center and Dan Mitchell of the Cato Institute said.

Using Europe as an example, they explained, 'When the German company sells to customers in the U.S., it is subject to the German corporate income tax. The competing American firm selling domestically pays the U.S. corporate income tax. Neither is hit with a VAT. In other words, a level playing field.'

Senior Trump administration officials told FT that the measure is unlikely to survive - meaning the Republicans could be short \$1 trillion in cash over a 10 year span.

Mnuchin suggested there are other ways that revenue could be raised, though also stated that the 'border adjustment' plan hasn't been taken off the table.

'Economic growth creates lots of revenues,' Trump's treasury secretary pointed out. 'When you calculate whether it is deficit-neutral or not, there are a bunch of different calculations and a bunch of models.'

'I am just pointing out the magnitude of what economic growth does,' he added.

Trump unreleased plan is already being rebuffed by Democrats, who say they won't play ball so long as Trump holds out on releasing his own taxes.

'It's gonna be much harder to get tax reform done if the president doesn't disclose his taxes, for the very simple reason, that when there's a provision in [the] bill, people are gonna say, "Oh, this is for Trump and his business not for the benefit of the American people,' Senate Minority Leader Chuck Schumer warned.

Tax Day came and went on Tuesday with no public release from Trump, who says he's under routine audit. Spicer indicated this week that Americans won't even see the president's 2016 returns, as they, too, are, or will be under audit as soon as he files them.