



For immediate release
October 11, 2017

Contacts: Jon Peacock, 608-284-0580 ext 307
Tamarine Cornelius, 608-284-0580 ext 305

Trump-GOP Tax Plan Would be a Windfall for Millionaires

Madison, WI – The federal tax reform plan being advanced by President Trump and Congressional Republicans would yield little for middle-class taxpayers in Wisconsin while showering benefits on the richest 1 percent of Wisconsin residents, according to a new analysis.

While Republican leaders have pitched the plan as a tax cut for the middle class, the analysis shows that this is not true for Wisconsin or the nation as a whole. The tax plan would give most Wisconsin residents a modest tax cut, an amount that on average would be less than one percent of their income according to an [analysis from the Institute for Taxation and Economic Policy](#). However, the wealthiest one percent of Wisconsinites would reap a financial windfall, receiving 61 percent of the total tax cuts going to state residents.

“This tax plan is bad for Wisconsin and the country,” said Jon Peacock, director of the Wisconsin Budget Project. “A tax plan that mostly benefits millionaires and pays for it in part by taxing others should not be the starting point of our tax reform debate.”

In Wisconsin, the top 1 percent of the state’s residents – a group with an average income of \$1.8 million a year – would receive an average tax cut of \$76,000, compared with an average tax cut of \$260 for the bottom 60 percent of taxpayers in the state. Put another way, the top 1 percent of Wisconsin residents would receive a tax cut nearly 300 times as large on average as someone in the bottom three-fifths of the income spectrum.

The tax cuts for the richest Wisconsin residents would amount to a much larger portion of their income than the tax cuts for middle and low-income taxpayers. The average tax cut for the wealthiest 1 percent would be 4.2 percent of their income, compared to just 0.8 percent for middle-income Wisconsinites and 0.4 percent for the poorest fifth of Wisconsin taxpayers.

Peacock said the proposal is expected to increase taxes for roughly one in eight Wisconsinites, even though it will cause a \$1.5 trillion reduction in federal revenue over the next 10 years. He cautioned that “the number of people who are adversely affected will climb sharply when Congress enacts spending cuts or tax increases to prevent a huge increase in the federal deficit.”

A [new analysis by the Center on Budget and Policy Priorities](#) concludes that “the vast majority of Americans would be net losers from such a tax bill,” if the net cost of the tax cuts is offset by spending cuts or tax increases distributed equally across all income groups.

“Far from being targeted at the middle class, this tax plan would funnel more money into the pockets of those who need it the least,” said Peacock. “The plan boosts the incomes of the wealthy and gives little to most working people, creating an even greater economic divide between the rich and everyone else.”

The Trump-Republican tax framework includes provisions reducing the corporate income tax rate from 35 percent to 20 percent; repealing the income tax deduction for state and local taxes; repealing personal exemptions and doubling the standard deduction; reducing the number of income tax brackets; and repealing the estate tax and the Alternative Minimum Tax.

The Wisconsin Budget Project is a nonpartisan research group focusing on tax and budget policy. Go here for more information about how the Trump-GOP tax plan would affect Wisconsin taxpayers:

<http://www.wisconsinbudgetproject.org/what-the-trump-tax-plan-means-for-wisconsin-taxpayers-in-six-charts>

###