



THE FIVE WORST FEATURES OF TRUMP'S NEWEST TAX PLAN

Donald Trump has twice revised his original tax plan from 2015 in order to make it appear less fiscally irresponsible and less slanted towards the rich and corporations. But [his latest revision](#) would still explode the federal deficit in order to give huge tax cuts to big corporations and wealthy households like his own. Trump's plan would:

- 1. Give multinational corporations with profits stashed offshore a tax cut of up to \$550 billion.** Big American corporations hold \$2.4 trillion in earnings overseas on which they [owe up to \\$700 billion in U.S. taxes](#). Trump would cut the tax rate on those offshored profits from 35% to just 10%, [raising only about \\$150 billion](#). This would hand tax-dodging multinational corporations an undeserved tax break of more than half a trillion dollars.
- 2. Slash the corporate tax rate by nearly 60%.** Corporations are already dodging their fair share of taxes at a time of record profits. [Only one in nine dollars of federal revenue](#) now comes from corporate taxes, compared to one in three dollars 65 years ago. Rather than fix the problem of rampant corporate tax dodging, Trump's plan would make it worse by cutting the corporate tax rate from 35% to just 15%. This would [lose \\$2.4 trillion over the next decade](#).
- 3. Reduce individual income tax rates on the wealthy.** Trump adopts [a House GOP proposal](#) to cut the top tax rate to 33% (from about 40%), as part of a general lowering and consolidation of tax brackets. Even the conservative Tax Foundation estimates these overall rate reductions will [lose \\$1.4 trillion](#) over 10 years. The richest 1% will get a tax break of [\\$88,000 a year](#) on average. But taxes will be increased on nearly [8 million](#) mostly low- and middle-income families with children, including more than half of single parents. *If Trump is as wealthy as he says he is, he could benefit handsomely from this big tax cut.*
- 4. Likely cuts taxes on hedge funds and other wealthy partnerships by \$1 trillion—personally benefitting Trump.** Many Wall Street firms, law practices and other big-money outfits incorporate as partnerships and other entities that allow them to pay their business taxes at individual rates. The Trump campaign has [offered contradictory information](#) on how he would tax these so-called "pass-through" entities, sometimes indicating that he would continue to tax their income at individual rates, other times that he would cut their rate to just 15%. If he ultimately pursues the latter plan, these wealthy partnerships would avoid \$1 trillion in taxes over 10 years. Trump is the sole or principal owner of [500 pass-through entities](#). *He would personally benefit from a massive tax giveaway that's been appropriately dubbed the "Trump Loophole."*
- 5. Eliminate the estate tax to boost the inheritances of millionaires and billionaires—which could give his heirs a \$4 billion tax break.** Trump would eliminate the federal estate tax, [which is only paid by very wealthy families](#). Just one in 500 estates is affected today, those worth at least \$5.5 million. The estate tax is a small curb on the accumulation of dynastic wealth and a key tool in reducing economic inequality. Eliminating the estate tax would [lose \\$270 billion](#) over the next decade (though Trump's new plan to tax capital gains at death would reduce that loss). *Assuming Trump is worth the \$10 billion he claims, his heirs could gain \$4 billion if the estate tax is repealed.*