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This briefing book is available online at: https://bit.ly/2w3vGeB

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INTRODUCTION

Public opinion polling from numerous firms identified below were used to prepare this Briefing Book. The data shows that the Trump-GOP tax law is not a political winner for Republicans. Instead, it gives Democrats a great opportunity to win on tax issues by driving home to voters a major difference between the parties that shows voters who is on their side.

The polling data and case studies show that a full-throated attack on the Trump-GOP tax law is a powerful component of any successful Democratic congressional campaign this fall. Many Republicans have proved the polling by largely abandoning advocacy of the tax law in their own campaigns.

For more than 35 years—since the first Reagan tax cuts—Democrats have been conditioned to duck and cover when confronted with tax issues, fearful of being labeled “tax-and-spend liberals.” But times have changed. Republicans picked the wrong period of history to pass one more tax giveaway to their wealthy supporters. The public has grown weary, wary and wise.

Democrats should aggressively seize this golden chance to turn the tax issue against Republicans. This will not only help elect Democrats in 2018, but further the process of relegating tax-cutting, trickle-down economics to the ash heap of history where it belongs.

The polling in this Briefing Book is clear: Democrats can win by attacking the tax cuts, showing how they overwhelmingly benefit the wealthy and large corporations and threaten Medicare, Medicaid, Social Security and education.

If Republicans won’t remind voters that they are responsible for these disastrous tax cuts, it’s up to Democrats to do so.

POLLS USED FOR MESSAGE RECOMMENDATIONS IN THIS BRIEFING BOOK

Hart Research Assoc. & Global Strategy Group, March 3-15, 2018
“Taxes Are a Winning Campaign Issue for Democrats. Republicans are betting that the December tax law will be a winning hand for them in 2018. However, the survey data show that in most of the country the issue can actually help elect Democrats, and even in deep red states the appeal of tax cuts can largely be neutralized. On all terrains, Democrats are better off when they engage on the tax issue.”

Greenberg Research & Democracy Corps, June 1-5, 2018
“The tax cut now drives its opponents more than supporter’s vote in November. The more Democratic messages emphasize the tax cut, and vote to reverse it, the greater the growth in opposition to the tax cut, in the Democratic congressional vote, and in the Democratic turnout advantage.”
Garin-Hart-Yang Research Group & Global Strategy Group for Priorities USA, May 29, 2018
“By wide margins voters continue to say that Trump mainly looks out for the economic interests of the wealthy and big corporations rather than the interests of average people. Voters are especially moved by contrasts between the large tax cuts received by drug companies and oil companies and the higher costs these companies continue to pass on to consumers.”

Hart Research Assoc. for Protect Our Care, June 11-17, 2018
“[Among] the most important points to make about Republicans are: ... They support massive cuts to Medicare and Medicaid to pay for their tax cut to corporate special interests; and [t]hey have given gigantic tax cuts to the insurance companies and big drug companies, which continue to pad their profits while raising healthcare costs for average Americans...Many of the best healthcare negatives against Republicans include ties to the tax bill.

Lake Research Partners for Take on Wall Street, May 2018
“A message that underscores the massive benefits delinquent Wall Street banks gained from the tax bill is the most effective message among likely voters. It is also worth noting that majorities of likely voters (52%) ...support a policy proposal to ‘reverse the new large tax cut for Wall Street and financial companies.’ Framing the tax bill as a hand out to Wall Street banks while working families are neglected is an effective way to connect this issue to what most voters already feel.”

Polling memos and PowerPoints for the polls listed above are in the Appendix.

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TRUMP-GOP TAX CUTS TOPLINE TALKING POINTS

Note: A long form of these toplines is on the next page. These talking points are derived from numerous polls explained in the Appendix, which also contains messages that were tested.

TAX CUTS = SERVICE CUTS: The Trump-GOP tax law is giving huge tax cuts to the wealthy and big corporations. It will add $2 trillion to the national debt. To reduce this debt caused by the tax cuts, President Trump and Republicans want to make at least $2 trillion in cuts to Medicare, Medicaid, the Affordable Care Act, Social Security and education. We will stop them.

TAX FAIRNESS: The Trump-GOP tax plan gives the vast majority of the tax cuts to the wealthy, CEOs and big corporations, not to working families, who are left to pick up the tab yet again. Their tax plan rigs the economy even further in favor of those at the top. 83% of the tax cuts are going to the richest 1% once the law is fully implemented, including to billionaires like Trump.

HEALTH CARE IS BEING CUT TO PAY FOR TAX CUTS: The Trump-GOP tax law undermines a key part of the Affordable Care Act, draining more than $300 billion from health care. This money, along with proposed cuts to Medicare and Medicaid, is being used to help pay for tax cuts for big drug companies and health insurers. They are padding their profits while charging Americans higher prices. The GOP’s undermining of the ACA will increase insurance premiums by 10% a year and cause eight million people to lose their healthcare coverage.

CORPORATIONS ARE NOT USING THEIR TAX CUTS TO INCREASE WORKERS’ WAGES: Trump promised that corporations would use their big tax cuts to give working families a $4,000 pay raise. He said they would make “massive investments” and stop outsourcing jobs. None of that is happening. Corporate CEOs are not sharing their tax breaks with workers. Wages are stagnant. Corporations are using their tax cuts to buy back their own stock, which lines the pockets of wealthy CEOs and shareholders. It does not benefit workers.

RIGGED SYSTEM: Drug companies, big banks and Wall Street billionaires have rigged the tax system like they’ve rigged the economy. Their tax breaks are going to wealthy CEOs while millions of families are still struggling to get by. We need to re-write the rules to make the economy and the tax system work for working families, not for billionaires and big banks.

SOLUTIONS: We need to fix the tax system to benefit working families. Congress should repeal the Trump-Republican tax cuts for the wealthy and big corporations. They need to start paying their fair share of taxes, so we can protect Medicare, Medicaid and Social Security, and have the money needed for education, infrastructure and other job-creating investments.

TAX SCAM 2: President Trump and Republicans are trying to pass a second round of tax cuts before the November election. This will give even more tax breaks to the wealthy and corporations and increase the deficit a lot more. To pay for these new tax breaks, Republicans will demand even deeper cuts to Medicare, Medicaid and education. Working families can’t afford the first round of the Trump-GOP tax cuts that mostly benefit the rich and big corporations. We sure can’t afford Round 2.
TRUMP-GOP TAX CUTS TALKING POINTS: LONG FORM

TAX CUTS = SERVICE CUTS: The Trump-GOP tax law is giving huge tax cuts to the wealthy and big corporations. It will add $2 trillion to the national debt. To reduce this debt caused by the tax cuts, Trump and Republicans want to make at least $2 trillion in cuts to Medicare, Medicaid, the Affordable Care Act, Social Security and education. We will stop them.

- The cost of the Trump-GOP tax cuts has ballooned to $1.9 trillion. [The Hill]
- President Trump wants to pay for this increased debt by slashing $1.3 trillion from Medicare, Medicaid and the Affordable Care Act. He proposes slashing an additional $1 trillion at least from Social Security disability programs, education, food programs and other vital public services. [Center on Budget and Policy Priorities (CBPP), and The Hill]
- House Republicans propose slashing $2 trillion from Medicare, Medicaid and the ACA to reduce the debt and pay for the tax cuts. (CBPP). This will mean higher premiums, higher deductibles and co-pays, and millions losing their health care coverage.
- We should not pay for tax cuts for the rich and corporations by cutting services that working families depend on. Instead we should make sure the rich and corporations pay their fair share of taxes, so we can protect these priorities. And we should invest in our communities: building better schools; fixing roads, bridges, and transit systems; making health care more affordable; and providing a secure retirement with dignity.

TAX FAIRNESS: The Trump-GOP tax plan gives the vast majority of the tax cuts to the wealthy, CEOs and big corporations, not to working families, who are left to pick up the tab yet again. Their tax plan rigs the economy even further in favor of those at the top.

- 83% of the Trump-GOP tax cuts will go to the richest 1% once the law is fully implemented, including to billionaires like President Trump. [Tax Policy Center (TPC)]
- The average tax cut for the top 1% is $51,000 this year. [TPC, Table 1]
- Republicans gave billions in tax cuts to prescription drug companies earning record profits by jacking up prices on patients. Big oil got huge tax cuts and is getting rich off rising gas prices. Wall Street banks are pocketing huge profits instead of working to improve the economy. Working families are left to pick up the tab.

HEALTH CARE IS BEING CUT TO PAY FOR TAX CUTS: The Trump-GOP tax law undermines a key part of the Affordable Care Act, draining more than $300 billion from health care. This money, along with proposed cuts to Medicare and Medicaid, is being used to help pay for tax cuts for big drug companies and health insurers. They are padding their profits while charging Americans higher prices. The GOP’s undermining of the ACA will increase insurance premiums by 10% a year and cause eight million people to lose their healthcare coverage.

- The Trump-GOP tax cuts let drug companies pad their profits while raising health care costs for average Americans. The country’s top 10 drug companies are getting a $76 billion tax cut on their offshore profits alone. No drug company has said it will use its tax cuts to reduce drug prices. [ATF]
- Pfizer—maker of Lipitor, Chantix and Zoloft, among many other drugs—is getting a $25 billion tax cut on its $200 billion in untaxed profits held offshore. Yet, the company jacked up the prices of many of its most drugs by 30% over the last 18 months. [ATF]
• The tax law weakened a key requirement under the Affordable Care Act that everyone get a minimum level of insurance, which the government subsidizes for lower-income families. As a result, **8 million people will lose this health coverage.** [Brookings Institution] This will save the government **$314 billion.** [Joint Committee on Taxation]

• That **$314 billion** has been taken from health care for working families and is being used to pay for tax cuts for drug companies, big insurance and the wealthy. As a result:
  • Insurance premiums in ACA plans will spike by 10%, on average, most years for the next decade. [CBO] That will add $2,000 to a typical family’s insurance bill. [Center for American Progress]
  • Premium increases will be even steeper for older adults, creating in effect an “age tax.” The average 64-year-old individual could face a $1,500 premium hike. [AARP]
  • Rather than cut Medicare, Medicaid and the Affordable Care Act, Congress should repeal tax cuts for the wealthy and big corporations and use the savings to strengthen these three bedrock public health programs.

CORPORATIONS ARE NOT USING THEIR TAX CUTS TO INCREASE WORKERS’ WAGES: Trump promised that corporations would use their big tax cuts to give working families a $4,000 pay raise. He said they would make “massive investments” and stop outsourcing jobs. None of that is happening. Corporate CEOs are not sharing their tax breaks with workers. Wages are stagnant. Corporations are using their tax cuts to buy back their own stock, which lines the pockets of wealthy CEOs and shareholders. It does not benefit workers.

• Big corporations had their tax rate slashed by 40%—from 35% to 21%. They were also handed an additional $400 billion tax cut on their untaxed offshore profits, most of them stashed in tax havens. [Institute on Taxation and Economic Policy (ITEP)]

• Trump promised that employers would use their tax cuts to give working families a $4,000 pay raise. [Washington Post] But workers are the losers, while wealthy CEOs and corporate shareholders are the big winners, from Trump’s tax law. After the first eight months of the tax cuts (as of August 20), according to an ongoing Americans for Tax Fairness analysis:
  • Only 4% of workers have gotten a pay hike connected to the corporate tax cut—just 7 million out of a total workforce of 155 million. Most of those are getting a one-time bonus, not a permanent wage increase. Corporate tax cuts are not trickling down; very few workers have more money in their pockets.
  • Just 411 businesses out of the nation’s nearly 6 million employers are providing their workers with one-time bonuses and/or wage hikes due to the tax cuts.
  • CEOs and rich shareholders have gotten all the corporate tax cuts. Since the tax cuts passed, corporations have announced stock buybacks of **$710 billion**—100 times more than the $7 billion corporations have promised workers in pay hikes. Stock buybacks overwhelmingly benefit the wealthy because they own the vast majority of stock.
  • Wages after inflation for all workers have actually fallen over the last year. [Bureau of Labor Statistics (BLS)] And even for workers that got a raise, it’s being eaten up by higher prices for prescription drugs, insurance premiums and gasoline.
  • Fewer jobs have been created under Trump during his first 18 months in office than were created under Obama’s last 18 months in office—3.4 million jobs have been created under Trump and 3.7 million under Obama. And Obama didn’t cut taxes. [BLS]
RIGGED SYSTEM: Drug companies, big banks and Wall Street billionaires have rigged the tax system like they’ve rigged the economy. Their tax breaks are going to wealthy CEOs while millions of families are still struggling to get by. We need to re-write the rules to make the economy and the tax system work for working families, not for billionaires and big banks.

- Republicans gave pharmaceutical and health insurance companies billions in new tax breaks, and now those companies are raising drug prices and insurance premiums.
- The nation’s six biggest Wall Street banks will save a total of $12.3 billion in taxes this year from the Trump-GOP tax cuts. That’s enough money to give every one of the nation’s 3.2 million teachers a $3,800 pay raise. [ATFAF]
- Republicans gave a tax cut of more than $1 billion a year to the billionaire Koch brothers. They are spending $400 million to reelect Republicans who voted for the tax law. [ATF]
- 53 Republican members of Congress that voted for the Trump-GOP tax cuts could get an average tax cut of $280,000 from a special new tax loophole allowing for the deduction of business income. [Center for American Progress Action Fund]
- More than 7,000 corporate lobbyists helped pass the Trump-GOP tax cuts last year—over 60% of all registered lobbyists. [Public Citizen]

SOLUTIONS: We need to fix the tax system to benefit working families. Congress should repeal the Trump-GOP tax cuts for the wealthy and big corporations. They need to start paying their fair share of taxes, so we can protect Medicare, Medicaid and Social Security, and have the money needed for education, infrastructure and other job-creating investments.

- To grow our economy and protect healthcare and retirement, we should reverse the Trump-GOP tax cuts to make sure that the wealthy and big corporations pay their fair share of taxes. And we should also use the money to increase investments in our communities to build better schools, fix roads, bridges and transit systems, and make healthcare and prescription drugs more affordable.
- We need to change the political leadership in Washington. They are dividing the country and handing the government over to their wealthy donors and corporations at the expense of working people and the middle class. The GOP tax scam for the rich recklessly drives up the deficit. Now to reduce that deficit Republicans are calling for cuts to Social Security, Medicare, Medicaid and even less investment in education, infrastructure and healthcare.
- Instead of giving 83% of the tax cuts to the richest 1%, we need a tax law that makes the wealthy pay their fair share to protect Social Security, Medicare and Medicaid from cuts and to invest in our public schools and infrastructure and bring down health-care costs.
- We need to make sure that billionaire hedge fund managers and other wealthy Wall Street investors pay at least the same tax rate as workers pay on their salaries and wages.
- We need to close tax loopholes that encourage corporations to outsource jobs and shift hundreds of billions of dollars of profits offshore to tax havens where they will be taxed lightly if at all.
- We need to close the loophole that benefits wealthy business owners like Trump and use the revenue for real job-producing initiatives in education, job training, infrastructure, clean energy, and more.

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TAX SCAM 2: HIGHLIGHTS OF HOUSE FRAMEWORK
As of July 31, 2018

House Ways and Means committee chairman Kevin Brady (R-TX) released a “listening session framework” to outline a second round of tax cuts. It is very vague and doesn’t say it will make all the individual provisions of the Tax Cuts and Jobs Act permanent, which currently expire in 2025. But that is what it will likely do. These are likely to be the tax cuts to be made permanent:

a. Cuts in personal income tax rates
b. Increases in the standard deductions, and the elimination of the personal exemption
c. 20% deduction for pass-through business income
d. Doubling the value of estates and gifts exempted from taxation (from $11 to $22 million per couple)
e. Increasing the amount of income exempt from the Alternative Minimum Tax
f. Expansions of the child tax credit
g. Cap on the SALT deduction and limitation to the mortgage interest deduction

It is quite possible that the full expensing of business investments that also expires will be made permanent. (This break allows a business to deduct the costs of investments when purchased rather than be depreciated over the useful life of the asset.) The framework also suggests that there will be new retirement- and education-related incentives but provides little information. Many are likely to be tilted to the benefit of upper-income taxpayers.

COST OF NEW TAX CUTS/ADDITION TO DEFICIT

- **CBO** (p. 89): $650 to $770 billion over 10 years (excluding interest on the debt). It costs $650 billion to make individual income tax provisions permanent (including the 20% deduction for pass-through business income). It costs another $122 billion, or $772 billion in total, for full expensing of business investments.
- **Center on Budget and Policy Priorities (CBPP)**: $250 billion in 2027 alone

DISTRIBUTION OF TAX CUTS FROM PERMANENT EXTENSION

- **Institute on Taxation and Economic Policy**:
  - Top 5% (incomes above $290,000 in 2026) would get 43% of the tax cuts in 2026, the first year; bottom 60% (incomes below $81,000) would get 19%
  - Richest fifth would get 65% of the tax cuts in 2026; middle fifth would get 10%; poorest fifth would get 2%

- **Center on Budget and Policy Priorities**:
  - Top 1% would get an average tax cut of $32,650, a 2.2% increase in after-tax income
  - Bottom 60% would get an average tax cut of $340, a 1% boost in after-tax income
  - **61% of the tax cuts** due to the deduction for pass-through business income go to top 1%

[Click here](#) to see a letter signed by 130 national organizations opposed to #TaxScam2.
TAX SCAM 2 TALKING POINTS (#TAXSCAM2)

NOTE: Don’t refer to Round 2 as making Trump tax cuts “permanent”. Permanent sounds good. Always refer to Round 2 as giving “even more” or “new” tax cuts to the wealthy & corporations. Go here for a letter of opposition to #TaxScam2 signed by 130 national organizations.

- President Trump and Republicans are trying to pass a second round of tax cuts before the November election. This will give even more tax breaks to the wealthy, campaign donors and corporations and increase the deficit a lot more. To pay for these new tax breaks, Republicans will then demand even deeper cuts to Medicare, Medicaid and education.
  - Working families already can’t afford the first round of the Trump-GOP tax cuts that are mostly benefiting the rich and big corporations. We sure can’t afford Round 2.

- With #TaxScam2 Republicans are coming back for even more tax breaks for their wealthy campaign donors and big corporations. In December, they doled out tax cuts costing $2 trillion that mostly benefit the wealthy and big corporations. Now, they are proposing what may be $800 billion more in tax breaks mostly benefiting the wealthy and big corporations.

- New tax cuts for the wealthy and big corporations will blow a much larger hole in the deficit. Then Republicans will demand even deeper cuts in Medicare, Medicaid, education and more. The House Republican budget will slash $5 trillion, including from:
  - Medicare ($537 billion)
  - Medicaid and the Affordable Care Act ($1.5 trillion)
  - Food for families ($157 billion from SNAP)
  - Veterans benefits ($59 billion)
  - Transportation and infrastructure ($317 billion)

- Another round of Trump tax cuts for the wealthy and corporations will give them another huge windfall they don’t deserve. They’re already getting 83% of the tax cuts from the first round. They don’t need any more handouts at the expense of working families. Instead, we should make sure the rich and big corporations pay their fair share of taxes. We need this to protect critical priorities like Medicare, Medicaid, Social Security and education. We need to invest in our families and communities by strengthening public education, rebuilding infrastructure, making health care more affordable, and providing a secure retirement.

- The evidence is clear: the first round of tax cuts has not improved or strengthened the economy. Once again, Republican claims that tax cuts for wealthy CEOs and corporations will trickle down to working families has been shown to have no basis in reality.
  - Working families have not come close to getting the $4,000 raise that Trump promised.
  - Just 4% of workers have gotten a one-time bonus or wage hike from the Trump tax cuts.
  - Since the tax law passed, corporations have announced $700 billion in stock buybacks that mostly benefit the wealthy and just $7 billion in worker bonuses or wage hikes.
  - Corporations are doling out their huge tax breaks to wealthy CEOs and shareholders.

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UNHEALTHY TRADEOFF:
TRUMP & HOUSE GOP WANT TO PAY FOR THEIR TAX CUTS WITH DEEP CUTS TO MEDICARE, MEDICAID & THE AFFORDABLE CARE ACT

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<th>Cost of Trump-GOP Tax Cuts</th>
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- Medicaid/ACA Cuts
- Medicare Cuts

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KEY FACTS

COSTS AND FAIRNESS

- 83% of the Trump-GOP tax cuts are going to the richest 1% once the law is fully implemented. [Tax Policy Center (TPC)]

- The richest 1% are getting a $51,000 tax cut this year, on average. Their income is at least $733,000 this year. [TPC, Table 1]

- The cost of the Trump-GOP tax cuts, which mostly benefit the wealthy and big corporations, is $1.9 trillion—a cost that has been added to the national debt. [The Hill]
  Note: this amount includes interest on the debt. We recommend using this fact—the total cost of the tax cuts—rather than the alternative, which is the size of the tax cuts:
  - The size of the Trump-GOP tax cut, which mostly goes to the wealthy and big corporations, is $1.5 trillion. [Joint Committee on Taxation]
  Note: this does not include interest costs on the debt.

- To reduce this $1.9 trillion debt caused by his tax cuts, Trump’s budget seeks to slash $1.7 trillion from critical services such as Medicaid, Medicare, Social Security disability benefits, SNAP (food stamps) and more. [Bloomberg]

- To reduce this $1.9 trillion debt caused by his tax cuts, Trump’s budget seeks to slash $1.3 trillion from Medicare, Medicaid and the Affordable Care Act. [CBPP] As a candidate, Trump promised never to cut Medicare or Medicaid. (Tweet)

- To reduce this $1.9 trillion debt caused by their tax cuts, House Republicans propose slashing $2 trillion from Medicare, Medicaid and the Affordable Care Act. [CBPP] Such massive cuts will likely delay Medicare for seniors until the age of 67, cause millions to lose their health care, jack up premiums and other out-of-pocket costs for millions more, make life-saving medicines costlier, and restrict critical services for people with disabilities.

- Trump’s so-called “small business” tax cut mainly benefits the wealthy. The richest 1% will get three-fifths of the benefit from the 20% deduction for business income. The bottom two-thirds of business taxpayers will only get 4% of the benefits. [CBPP] Trump’s billion-dollar business empire is the kind of pass-through business that really benefits from this new tax break. [NYT] The Trump Organization is made up of over 500 pass-through entities. [NYT]

- The corporate tax rate was slashed by 40%, dropping from 35% to 21%. The tax rate on offshore profits made by multinational corporations like drug and high-tech companies is now effectively about half the domestic rate—or about 10%. [ITEP] Corporations have even more incentives now to shift jobs and production offshore. [NYT] [CBO]

- The tax law did little to curb the massive shifting of profits to offshore tax havens by multinational corporations to avoid taxes. About 80% of the corporate profits that were
shifted offshore each year before the tax law are still being shifted offshore—$235 billion out of $300 billion. [CBO in Wall Street Journal]

- Besides the deep cut in tax rates, multinational corporations were handed an additional $400 billion tax cut on their $2.6 trillion in offshore profits accumulated from past years, much of it stashed in tax havens. [ITEP]

**MORE HEALTH CARE**

- The Trump-GOP tax plan guts a requirement for individuals to buy health coverage if they can afford it, with the government subsidizing low-income families. The change saves the government $314 billion—money being used to partially pay for tax cuts mostly benefitting the wealthy. [Joint Committee on Taxation]
- By repealing this critical part of the Affordable Care Act, the tax law will cause:
  - 8 million Americans to lose health care coverage [Brookings Institution—note CBO’s 13 million figure has been lowered]
  - ACA insurance premiums to spike by 10%, on average, most years for the next decade. [CBO]
  - Even steeper premium increases for older adults—in effect, an “age tax.” The average 64-year-old could face a $1,500 premium hike. [AARP]

**WORKERS’ WAGES—CORPORATIONS NOT SHARING THE WEALTH**

- Trump promised that employers would use their tax cuts to give working families a $4,000 pay raise. [Washington Post] But workers are the losers, while wealthy CEOs and corporate shareholders are the big winners, from Trump’s tax law.
- After the first eight months of the Trump-GOP tax cuts (as of August 20), according to an ongoing Americans for Tax Fairness analysis:
  - Only 4% of workers have gotten a pay hike connected to the corporate tax cut—just 7 million out of a total workforce of 155 million. Most of those are getting a one-time bonus, not a permanent wage increase. Corporate tax cuts are not trickling down; very few workers have more money in their pockets.
  - Just 411 businesses out of the nation’s nearly 6 million employers are providing their workers with one-time bonuses and/or wage hikes due to the tax cuts.
  - CEOs and rich shareholders have gotten all the corporate tax cuts. Since the tax cuts passed, corporations have announced stock buybacks of $710 billion—100 times more than the $7 billion corporations have promised workers in pay hikes. Stock buybacks overwhelmingly benefit the wealthy because they own the vast majority of stock.

*Get state facts on the above data from these reports.*
NO EVIDENCE TRUMP-GOP TAX CUTS ARE IMPROVING THE ECONOMY

Click here to see charts that illustrate the key facts below.

- **Corporate profits up, corporate tax revenues down (Figure 1):** Between the last quarter of 2017 and the first quarter of this year, after-tax corporate profits were up 8.2% from $1.8 trillion to $2 trillion. Annualized federal corporate tax revenues were down 44%, from $264 billion to $149 billion.

- **Real wage growth has stagnated after the tax cuts (Figure 2):** Real (inflation-adjusted) wages decreased by 0.2% for all employees (private non-farm) from July 2017 to July 2018.

- **Job creation under Trump is below Obama record (Figure 3):** In the 18 months since President Trump took office, 3.4 million jobs have been created, well under the 3.7 million jobs created in President Obama’s last 18 months.

- **Unemployment rates were already low, don’t seem impacted by tax cuts (Figure 4):** Unemployment has been on a steady downward trend since the end of the Great Recession, dropping from 9.8% in January 2010 to 4.8% when Obama left office. Under Trump it has continued the gradual decline to 3.9%. There’s no evidence of a sharp drop in unemployment attributable to the tax cuts.

- **Gross domestic product (GDP) growth since tax cuts has been mixed (Figure 5):** There was strong economic growth, as measured by real GDP, of 4.1% in the 2nd quarter of 2018, up from 2.2% in the first quarter. However, quarterly GDP growth is volatile—one quarter’s strong growth does not indicate an uptick in long-term growth. Moreover, real GDP growth exceeded 4% in three quarters since 2010 during the Obama years.

- **No evidence of an investment boom since the Trump tax cuts (Figure 6):** After two quarters in 2018, there has been no significant spike in non-residential investment since the tax cuts were passed.

**SPECIAL INTERESTS**

- Under the Trump-GOP tax plan the ten biggest U.S. drug companies could save $76 billion in taxes on the profits that they spent years stashing offshore to avoid taxes. No drug company has said it will cut sky-high drug prices to help patients. [ATF]

- The nation’s six biggest Wall Street banks will save a total of $12.3 billion in taxes this year from the Trump-GOP tax cuts. That’s enough money to give every one of the nation’s 3.2 million teachers a $3,800 pay raise. [ATFAF]

- The Koch brothers and their conglomerate, Koch Industries, look to be getting a tax cut of between $840 million and $1.4 billion each year. [ATF]

- 53 Republican members of Congress that voted for the Trump-GOP tax cuts could get an average tax cut of $280,000 from the deduction for business income. [Center for American Progress Action Fund]

- More than 7,000 lobbyists helped pass the Trump-GOP tax cuts last year—over 60% of all registered lobbyists. [Public Citizen]
TRUMP-GOP TAX CUTS ARE NOT WORKING FOR SMALL BUSINESS

Contrary to false claims made by President Trump and Republican leaders in Congress, it is not small businesses like corner grocers, neighborhood plumbers and start-up web designers who are the winners from the new Trump-GOP tax law. It is rich families, large public corporations, and wealthy private business owners like Trump.

MOST OF THE TAX CUTS GO TO THE WEALTHY AND BIG CORPORATIONS, NOT TO MAIN STREET BUSINESSES AND THEIR CUSTOMERS

- The top priority of the tax law was to slash corporate income taxes by 40%, dropping the rate from 35% to 21%. Only 5% of small businesses pay corporate income taxes. The rest are known as “pass-throughs,” because their income is “passed through” to their owners who are taxed under the individual income tax system.

- While all corporations benefitted from this big tax-rate cut, multinational corporations like drug companies and high-tech behemoths got an even sweeter deal. Their tax rate on offshore profits is now effectively about half the domestic rate. Moreover, they were handed an additional $400 billion tax cut on their offshore profits accumulated from past years, much of it stashed in tax havens.

- 83% of the tax cuts in the new law will go to the wealthiest 1% once it’s fully implemented. Their share is so high because so much of the tax cuts benefit corporations, and most corporate stock is owned by the wealthy.

- The average tax cut for the richest 1% is $51,000 this year. That’s about what an average sole proprietor earns in a year, according to the Small Business Administration. There are 30 million small businesses; more than 8 out of 10 (25 million) are sole proprietorships.

THE “SMALL BUSINESS” TAX BREAK IS PRIMARILY A TAX CUT FOR THE WEALTHY

- Under the new law, owners of pass-through businesses—sole proprietorships, partnerships and S corporations—are allowed, with several restrictions, to exclude 20% of their business income from taxation.

- Three-fifths of the value of this tax break, supposedly targeted at “small businesses,” will go to the richest 1% by 2024. This is partly because business income is so highly concentrated. The wealthiest 1% of business owners receive over half of all pass-through-business income.

- President Trump’s billion-dollar business empire is a perfect example of the kind of business that really benefits from this new tax break. The Trump Organization is a collection of over 500 pass-through entities.
TAX CUTS THREATEN SERVICES VITAL TO SMALL BUSINESSES AND THEIR CUSTOMERS

- The Trump-GOP tax cuts will add nearly $2 trillion to the national debt, most of it due to the corporate and business tax cuts. Republicans are using the ballooning debt as an excuse to propose deep cuts in public services that small businesses and their customers rely on.

- To address the debt and pay for tax cuts, Trump and House Republican leaders propose to cut between $1.3 and $2 trillion from Medicare, Medicaid and the Affordable Care Act (ACA). These cuts will cause millions to lose coverage and increase the cost of health insurance for small business owners, workers and customers. Small businesses consistently rank the cost of healthcare as one of their top concerns.

- The tax law is making health insurance in ACA plans used by small business owners and workers much more expensive and difficult to access. Nearly 5 million employees at companies with fewer than 50 people gained insurance from ACA marketplaces between 2013 and 2015. The tax law weakened a requirement that everyone get a minimum level of insurance, which the government subsidizes for lower-income families. As a result, 8 million people will lose this health coverage, saving the government $314 billion—money now being used to pay for corporate tax cuts. Due to this change, insurance premiums in ACA plans will spike by 10%, on average, most years for the next decade, adding $2,000 to a typical family’s insurance bill. Older adults will pay even more, according to AARP.

- Main Street businesses succeed when their customers succeed. When Medicare, Medicaid, the ACA, Social Security, public education and transit services are all cut, working families are stressed. They can’t afford as many groceries, haircuts, dinners out, new cars and other goods and services offered by local businesses. It’s this kind of local economic activity that grows businesses, creates jobs and makes neighborhoods hum. Most jobs aren’t created by trickle-down tax cuts for wealthy investors and multinational corporations.

TAX CUTS ARE NOT CREATING MANY JOBS OR RAISING WORKERS’ WAGES

- Fewer jobs have been created under Trump during his first 18 months in office than were created under Obama’s last 18 months in office—3.4 million jobs have been created under Trump and 3.7 million under Obama. And Obama didn’t cut taxes. [BLS]

- Trump promised that employers would use their tax cuts to give working families a $4,000 pay raise. But wages after inflation have gone down slightly since July 2017. Workers have no extra money in their pockets to spend with Main Street businesses.

- Corporate tax cuts are not trickling down to employees: only 4% of workers (7 million out of 155 million) have gotten a pay hike connected to the corporate tax cut, and most of those have been one-time bonuses rather than permanent raises.

- Corporate tax cuts have largely gone to CEOs and rich shareholders. Since enactment of the new tax law, corporations have announced stock buybacks of $710 billion—100 times more than the $7 billion corporations have promised workers in pay hikes. Buybacks mostly benefit the wealthy, who own most corporate stock.

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WHY OUR MESSAGE BEATS THE OTHER SIDE

1. Only about one-third of voters approve of the Trump-GOP tax cuts.
   - By a seven-point margin—36% to 43%—the public disapproves of the tax law [Real Clear Politics average of all polls on Aug. 20, 2018].
   - Gallup found that by a 13-point margin—39% to 52%—the public disapproves of the tax law [April 11, 2018]. Over half of respondents were unsure what impact the law had made on their own taxes—including 44% of Republicans. This means there is limited awareness of the law’s benefits, leaving voters more open to arguments about the harm it will do.
   - Quinnipiac Poll has a 7-point margin: 39% approve and 46% disapprove [June 14-17, 2018]. While men somewhat narrowly approve (48-41), women disapprove by a 20-point margin (51-31). Democrats should be able to exploit this gender and intensity gap.
   - Disapproval of the tax cuts has remained fairly steady since their passage, while approval has steadily declined. In Monmouth’s survey [June 12-13, 2018], approval of the tax cuts dropped from 44% in January to 34% in June. Those 10 points migrated to “Don’t know,” suggesting an increasing openness to arguments against the law.

2. Most people are not seeing their tax cuts now.
   - 25% said they’ve seen an increase in their paychecks due to the tax cuts, 52% say they’ve seen no increase. [Morning Consult/Politico, June 22-24, 2018]. This is very similar to an April poll: 22% had seen an increase and 55% said they had not seen an increase in the last several weeks due to the tax overhaul. [Morning Consult/Politico, April 19-23, 2018]
   - 18% say their federal income taxes have gone down and 56% don’t know whether their taxes have gone up, down, stayed the same, or say they are unsure. [Gallup, April 2-11, 2018]
   - 50% say the tax cut law has increased their taxes or had no effect, while just 25% say the law has reduced their taxes. [Global Strategy Group, Aug. 2-5, 2018]

3. Most believe the tax cuts are mostly benefitting the rich and corporations, which means they are not likely to believe GOP promises that a new bill will help the middle class.
   - 51% say they believe the tax cuts mostly helps the rich, with only 30% saying it helps the middle class and just 7% saying it helps the poor. [Public Policy Polling, June 8-10, 2018]
   - Of people familiar with the new law, 77% believe it helps large corporations and 73% say it benefits the wealthy, while 42% say it helps middle-income families. [Associated Press-NORC Center for Public Affairs Research, March 14-19, 2018]
   - 53% viewed the tax bill negatively because it will increase the federal deficit and mostly benefit the wealthy and big corporations; 39% viewed it positively. [NBC/WSJ, April 8-11, 2018]
4. Voters strongly prefer a Democrat advocating progressive tax reform over a pro-tax law Republican. [Hart Research and Global Strategy Group survey, March 3-21, 2018]

- When voters face a choice between a conservative who strongly supports the tax law and a progressive who favors repealing the new tax law and making the wealthy and corporations pay their fair share, they prefer the progressive by a commanding 16-point margin (50% to 34%). The progressive also is strongly favored by independents (+25 points), moderates (+40), and swing voters (+17).
- A progressive candidate who favors repealing the law’s tax cuts for corporations and the wealthy, but keeping tax cuts for the middle class, fares slightly less well than the progressive who simply advocates making the wealthy and corporations pay their fair share (prevailing against a conservative by 46% to 34%).
- Just 12% of independent voters say the tax law makes them more likely to vote for a Republican. Nearly three times as many independents, 32%, say the law makes them less likely to vote Republican. A majority, 57%, say it doesn’t matter either way. [New York Times/Survey Monkey, Aug. 6-12, 2018]

LESSONS FROM ELECTION CAMPAIGNS

OHIO 12TH CD – BALDERSO (R) VS. O’CONNOR (D) (AUGUST SPECIAL ELECTION)

- At the start of this race, Republicans ran an ad touting the “middle-class tax cuts” for saving families over $2,500 a year and accusing Democrat Danny O’Connor of “standing with Nancy Pelosi” to raise taxes.
- But after proving ineffective, Republicans soon phased it out in favor of an ad attacking O’Connor on immigration and other issues.
- Meanwhile, O’Connor’s ad took his Republican opponent Troy Balderson to task for supporting “a corporate tax giveaway that racks up trillions in debt forcing massive tax hikes on our kids.”
- A DCCC ad in support of O’Connor that began near the end of the campaign focused even more exclusively on tax tradeoffs, saying the Republican tax bill “could fuel push for Medicare, Social Security cuts.”
- By July 30, the O’Connor campaign and the DCCC had spent more going after Balderson on the tax bill than Republican groups spent promoting it. The DCCC alone spent $238,000 on an ad buy supporting O’Connor between July 20 and July 30.
- Washington Post: “In the race for Ohio’s 12th congressional district, one party is on the airwaves talking about the 2017 Tax Cuts and Jobs Act more than the other: The Democratic Party. Even as the economy has grown this year and as Republicans have held rallies and events to celebrate its benefits — from scattered worker bonuses to companies promising not to send jobs out of the country — the tax cut has not emerged as a galvanizing issue.”
- New York Times: “Democrats are weaponizing the tax law — which is mired in only middling popularity — against Republican opponents in some key races. Their critiques have been fed by government statistics showing that wages for typical American workers have not risen over the past year, after adjusting for inflation, even though Republicans promised the tax cuts would unleash rapid wage growth.”
PENNSYLVANIA SPECIAL ELECTION – CONOR LAMB (D) VS. RICK SACCONÉ (R), MARCH 2018

- Republicans began with an ad highlighting the Trump-GOP tax cut as a “$2,900 tax cut for middle class families,” resulting in raises, bonuses and jobs. It also slammed Lamb for opposing the tax cuts. Then they dropped it and replaced with an ad tying Lamb to Pelosi and favoring sanctuary cities.
- Lamb, meanwhile, ran an ad attacking the Republican tax cuts, saying it would add $1.5 trillion to the deficit and that most families would see their tax cuts “wiped out by higher health care premiums.” The ad also said “their next plan is to cut Medicare and Social Security.”
- Politico: “Republicans backed away from their signature tax-cut law in the final days of a closely watched special House election in the Pittsburgh suburbs — even though it's the very accomplishment on which they had banked their midterm election hopes.”
- CNBC: “After Republican outside groups initially unleashed a barrage of ads in the district slamming Saccone's Democratic opponent…for opposing the tax plan, their attacks have recently focused on other issues like immigration. Democrats in the district think the change came because the tax ads did not resonate with voters as much as the GOP hoped.”

ANALYSIS OF TAX ADS ON SOCIAL MEDIA

An analysis by Reuters shows some of the most vulnerable Republican incumbents in the tightest congressional races in the November elections are talking less and less about the tax cuts on Twitter and Facebook, on their campaign and congressional websites and in digital ads, the vital tools of a modern election campaign. All told, the number of tax messages had fallen by 44% between January and May. For several members of Congress in tough reelection fights—such as Steve Knight in California, Jason Lewis in Minnesota, and Don Bacon in Nebraska—messaging was down much more, as much as 72%.

IOWA AND MAINE: ANALYSIS OF EFFECTS OF TAX CUT ADS USED AGAINST REPUBLICANS

Two case studies in states where aggressive ad campaigns were run against Republicans who voted for the tax cuts show that the more voters found out about their votes to repeal the Affordable Care Act and to support the GOP tax bill, the less they liked the Republicans.

Iowa’s 1st Congressional district: Not One Penny (NOP) ran a sustained media campaign against Congressman Rod Blum for his support of the Trump-GOP tax cuts. The campaign had a significant impact on voters in this district, according to survey results. The tax cuts were toxic to these voters and the more that they heard about what Blum voted for, the less they approved of his position and approved of him. Indeed, since August of 2017, the barrage of messaging led to a 21-point drop in Blum’s favorability among Independent voters in his district.

Maine’s 2nd Congressional District: Protect Our Care, Not One Penny and Clarity Campaign Labs conducted an analysis that showed a sustained earned and paid media campaign in Maine’s Second Congressional District highlighting Republican Bruce Poliquin’s support of the tax cuts led to a 13-point drop in his favorability among independents and a 10 point drop overall. The Cook Report recently moved the 2nd District race from “Lean Republican” to “Tossup.”
ADVANTAGES OF GOING ON OFFENSE AGAINST THE TRUMP-GOP TAX LAW

Republicans are betting that the tax cuts will be a winning hand for them in 2018. However, survey data show that in most of the country the issue can actually help Democrats, and even in deep red states the appeal of the tax cuts can largely be neutralized. On all terrains, Democrats are better off when they engage on the tax issue.

Greenberg Research & Democracy Corps, June 1-5, 2018

- “The tax cut now drives its opponents more than supporters’ vote in November.”
- “The more Democratic messages emphasize the tax cut, and vow to reverse it, the greater the growth in opposition to the tax cut, in the Democratic congressional vote, and in the Democratic turnout advantage.”
- Democratic anti-tax cut messages tested much better and had greater impact than Republican tax messages.

Garin-Hart-Yang Research Group & Global Strategy Group for Priorities USA, May 29, 2018

- Republican candidates who supported the tax cuts are very vulnerable to attack on tax issues. And the Republican attack on Democrats who voted NO has limited traction.
- “The tax bill was touted by Republicans as the centerpiece of their election plans, but…the new tax law instead presents potent new lines of attack for Democratic candidates and their allies.’
- “Voters are especially moved by contrasts between the large tax cuts received by drug companies and oil companies and the higher costs these companies continue to pass on to consumers. Democrats and their allies should lean into this line of messaging, which go to the heart of voters’ real experience and their perception of Trump and congressional Republicans standing on the side of wealthy special interests.
- “Democrats have a big opportunity to win the battle to define the largest legislative action taken during Trump’s time in office by communicating about what the bill does. By focusing on the law’s benefits for the rich and special interests at the expense of working people, Democrats can paint a vivid picture of Republicans’ misguided priorities and show voters which party is actually fighting for them.”

Hart Research Assoc. for Protect Our Care, June 11-17, 2018

- Three-quarters of respondents would have doubts about the Republican candidate for Congress (55% very major doubts) if they learned the candidate had voted for tax cuts for drug and insurance companies even as they continued raising prices, and for corporations in general when Americans have to foot the bill through big cuts to Medicare and Medicaid.

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WORDS TO USE

The Hart Research Assoc. and Global Strategy Group survey determined the following preferred word choices:

- **“Working families” over “middle-class families.”** Voters had more positive feelings toward “working families” (73% favorable, 47% very favorable) than toward “middle-class families” (68% favorable, 39% very favorable).

- **“Wealthy shareholders” rather than “shareholders.”** By a lopsided four-to-one ratio voters have a negative view of “wealthy shareholders” (13% favorable, 51% unfavorable). Their view of “shareholders” is slightly positive (30% favorable, 27% unfavorable).

- **“Corporate CEOs” more than “large corporations.”** Voters have a very negative opinion of corporate CEOs (12% favorable to 52% unfavorable, including 28% very unfavorable), who should be identified often as the principal beneficiaries of the tax law. Opinions of “large corporations” were not nearly as negative (29% favorable to 42% unfavorable, and just 16% very unfavorable).

- **“Tax Scam for the Rich.”** This is the best way to brand the Trump-GOP tax law with base voters. It is less useful with swing voters. [Greenberg Research & Democracy Corps]

- **“Stock buybacks for wealthy CEOs and shareholders,” not “stock buybacks”:** Most voters don’t understand the negative connotation of stock buybacks—that corporations are using their tax cuts to repurchase stock, which rewards CEOs and wealthy shareholders. We need to define it for them by adding the clause “stock buybacks for wealthy CEOs and shareholders.”

Also, the message tested much better when the trade-off is explained as follows: 33% of voters are more likely to vote for a candidate who supports “ending stock buybacks that allow corporations to buy their own stock to increase executives and shareholders’ wealth.” That number grows to 41% when the phrase “instead of investment in jobs and long-term growth” is added at the end. [Lake Research Partners]
### RESPONDING TO OPPONENTS

Rebuttals to GOP tax cutting message that are stronger than Republican’s best arguments include:

<table>
<thead>
<tr>
<th><strong>Claim: Overview.</strong> The GOP law overhauls America’s tax code to revitalize our nation’s economy and deliver historic tax relief to workers, families and local job creators.</th>
<th><strong>Rebuttal:</strong> The Trump-GOP tax law is a massive giveaway to the wealthy and big corporations that threatens public services working families rely on like Medicare, Medicaid, Social Security and education.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Claim: Detailed Overview.</strong> By lowering taxes across the board, eliminating costly special-interest tax breaks, and modernizing our international tax system, the law will help create more jobs, increase paychecks, and make the tax code simpler and fairer for Americans of all walks of life.</td>
<td><strong>Rebuttal:</strong> The tax law gives most of its tax cuts to the wealthy and big corporations. It mostly benefits drug companies, health insurers, Big Oil and other corporate interests that are price gouging patients and consumers. President Trump promised that working families would get a $4,000 pay raise, but few workers have gotten anything.</td>
</tr>
<tr>
<td><strong>Claim: Middle-class tax cuts.</strong> Thanks to a doubling of the standard deduction and lower tax rates, 90% of Americans saw bigger paychecks this year. Our tax reform is providing much-needed tax relief to middle-class families, an average of $2,000 per family.</td>
<td><strong>Rebuttal:</strong> Over 80% of the tax cuts will eventually go to the richest 1%. The $2 trillion cost of the tax cuts that was added to the deficit now threatens funding for Medicare, Medicaid, Social Security, education and other vital services. Our health care should not be cut to pay for tax cuts for the rich.</td>
</tr>
<tr>
<td><strong>Claim: Tax reform benefits all Americans.</strong> Our tax cuts will benefit all Americans by growing the economy and allowing people to keep more of the money they earn.</td>
<td><strong>Rebuttal:</strong> The law gave most of the tax cuts to Republican politicians and to the wealthy donors and corporate interests who fund their campaigns. Average Americans are getting very little. It’s time corporations and the wealthy paid their fair share of taxes.</td>
</tr>
<tr>
<td><strong>Claim: Tax reform is growing the economy... by putting more money in people’s pockets and creating a level playing field for American business.</strong></td>
<td><strong>Rebuttal:</strong> The law will weaken our economy by <em>increasing the national debt</em>, which will force deep cuts to Medicare, Medicaid, Social Security and education.</td>
</tr>
<tr>
<td><strong>Claim: Employers are hiking wages and providing bonuses to employees.</strong> 400 companies have announced bonuses, wage hikes, or other employee benefits, affecting 6 million workers, since tax reform passed.</td>
<td><strong>Rebuttal:</strong> Just 4% of America’s workers have gotten a one-time bonus or a wage hike. Corporate CEOs and wealthy stockholders are receiving most of the benefits. Corporations have announced they are spending $700 billion on stock buybacks. This largely benefits CEOs and wealthy shareholders, not workers.</td>
</tr>
<tr>
<td><strong>Claim: $490 billion in new investments.</strong> Thanks to tax reform, companies have announced $490 billion in new investments in America that will create thousands of new jobs.</td>
<td><strong>Rebuttal:</strong> Studies show that these are not new investments, but rather what corporations had already planned to spend before the huge tax giveaway was passed by Congress. The tax cuts are not creating new jobs and they are sure not raising wages.</td>
</tr>
</tbody>
</table>

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NO EVIDENCE TRUMP-GOP TAX CUTS ARE IMPROVING THE ECONOMY

As of August 21, 2018 [go here for updates to this section]

Press CONTROL and Click on the Figures below to see each chart.

Eight months since the tax cuts were passed in December 2017, here’s what the data show:

- **Corporate profits up, corporate tax revenues down** (Figure 1): Between the last quarter of 2017 and the first quarter of this year, after-tax corporate profits were up 8.2% from $1.8 trillion to $2 trillion. Annualized federal corporate tax revenues were down 44%, from $264 billion to $149 billion.

- **Real wage growth has stagnated after the tax cuts** (Figure 2): Real (inflation-adjusted) wages decreased by 0.2% for all employees (private non-farm) from July 2017 to July 2018.

- **Job creation under Trump is below Obama record** (Figure 3): In the 18 months since President Trump took office, 3.4 million jobs have been created, well under the 3.7 million jobs created in President Obama’s last 18 months.

- **Unemployment rates were already low, don’t seem impacted by tax cuts** (Figure 4): Unemployment has been on a steady downward trend since the end of the Great Recession, dropping from 9.8% in January 2010 to 4.8% when Obama left office. Under Trump it has continued the gradual decline to 3.9%. There’s no evidence of a sharp drop in unemployment attributable to the tax cuts.

- **Gross domestic product (GDP) growth since tax cuts has been mixed** (Figure 5): There was strong economic growth, as measured by real GDP, of 4.1% in the 2nd quarter of 2018, up from 2.2% in the first quarter. However, quarterly GDP growth is volatile—one quarter’s strong growth does not indicate an uptick in long-term growth. Moreover, real GDP growth exceeded 4% in three quarters since 2010 during the Obama years.

- **No evidence of an investment boom since the Trump tax cuts** (Figure 6): After two quarters in 2018, there has been no significant spike in non-residential investment since the tax cuts were passed.

- **Few employers have announced raises or one-time bonuses or new investments** (Figure 7): Only 4.3% of workers (6.7 million out of 155 million) have been promised wage increases or one-time bonuses related to the tax cuts. Just 411 of 5.9 million employers have announced such worker benefits. Only 116 of 5.9 million employers have announced new investments related to the tax cuts.

- **Corporate tax cuts are going mostly to wealthy shareholders and CEOs through stock buybacks** (Figure 8): So far, 157 corporations are projected to save $80 billion in tax cuts in 2018. That’s 11 times more than the $7.1 billion corporations have promised workers through one-time bonuses and wage hikes. Since the tax cuts were passed, more than 400 corporations have announced stock buybacks of $711 billion—100 times more than what corporations have promised workers in pay hikes. Buybacks mostly benefit the wealthy, who own most corporate stock.
In the first quarter of 2018, when the tax cuts first went into effect, corporate profits rose by 8.2% to $2 trillion. Meanwhile, federal corporate income tax revenues plummeted by 44% from the last quarter of 2017 to the first quarter of 2018, from an annualized rate of $264 billion to $149 billion.

Real (inflation-adjusted) wages decreased by 0.2% between July 2017 and July 2018. This means workers actually have less buying power now than they did last summer.
Figure 3. Job Creation Under Trump Is Below Obama Record

![Bar chart showing job creation under Trump and Obama]

Source: Bureau of Labor Statistics, as of August 20, 2018

The economy has added 3.4 million jobs since President Trump took office, well under the 3.7 million jobs created in President Obama's last 18 months. If the tax cuts were supposed to make businesses go on hiring sprees, that certainly doesn't appear to have happened yet.

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Figure 4. Unemployment Rates Already Low, Don't Seem Impacted by Tax Cuts

![Line chart showing unemployment rates from 2010 to 2018]

Source: Bureau of Labor Statistics, as of August 20, 2018

Unemployment has been on a steady downward trend since the end of the Great Recession, dropping from 9.8% in January 2010 to 4.8% when Obama left office. Under Trump it has continued the gradual decline to 3.9%. There's no evidence of a sharp drop in unemployment attributable to the tax cuts.

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There was strong economic growth, as measured by real GDP, of 4.1% in the 2nd quarter of 2018, up from 2.2% in the first quarter. However, quarterly GDP growth is volatile—one quarter’s strong growth does not indicate an uptick in long-term growth. Moreover, real GDP growth exceeded 4% in three quarters since 2010 during the Obama years.

Real non-residential fixed investment increased by 6.7% in the 1st and 2nd quarters of 2018 on a year-over-year basis. Year-over-year investment growth reached 8% in the 3rd quarter of 2014 and 12.9% in the 1st quarter of 2012. There’s no evidence of an investment boom since the tax cuts were signed into law. Even new capital goods orders (orders placed with U.S. factories for nondefense business equipment) are lower than levels reached during the Obama recovery.
Figure 7: Few Employers Have Announced Raises or One-Time Bonuses

Americans for Tax Fairness estimates that only 4.3% of workers (6.7 million out of 155 million) have been promised wage increases or one-time bonuses related to the tax cuts. Just 411 of 5.9 million employers have announced such worker benefits. And only 116 of 5.9 million employers have announced new investments related to the tax cuts.

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Figure 8. Corporate Tax Cuts Going Mostly to Wealthy Shareholders and CEOs

So far, 157 corporations are projected to save $80 billion in tax cuts in 2018. That’s 11 times more than the $7.1 billion corporations have promised workers through one-time bonuses and wage hikes. Since the tax cuts were passed, more than 400 corporations have announced stock buybacks of $711 billion—100 times more than what corporations have promised workers in pay hikes. Buybacks mostly benefit the wealthy, who own most corporate stock.

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NO TAX BREAKS FOR OUTSOURCING ACT, H.R. 5108
Authored by Rep. Lloyd Doggett (TX-35)

REPUBLICAN TAX SCAM CREATED NEW INCENTIVES TO SHIP JOBS AND PROFITS OFFSHORE
The new tax law establishes a lower tax rate for investments multinational corporations make offshore that is half that for domestic investments, and in many cases may be zero. The nonpartisan Congressional Budget Office (CBO) found that these provisions would increase incentives for companies to invest overseas. One economist dubbed it an “America-last tax policy,” and the AFL-CIO has called it a job killer. While President Trump denounced the outsourcing of American jobs during his campaign, he has once again reversed course by embracing tax legislation that makes the problem worse.

THE NO TAX BREAKS FOR OUTSOURCING ACT WOULD LEVEL THE PLAYING FIELD BY:
- **Ending the special low tax rate for offshore profits** so that multinational corporations pay the same rate abroad as they do here at home.
- **Repealing the zero-tax rate on certain investments made overseas.** In addition to the half-off tax rate on profits earned abroad, the new law exempts from tax entirely a 10 percent return on tangible investments made overseas, such as plants and equipment. This legislation would repeal this tax break.
- **Treating P.O. box shell companies managed and controlled in the U.S. as domestic corporations.** There is a five-story building in the Cayman Islands that is the legal home of 18,000 companies, many of them really U.S. companies in disguise. This legislation would treat corporations that are managed and controlled within this country as the U.S. companies that they in fact are, and ensure they pay their fair share like other taxpayers.

TALKING POINTS:
- **Outsourcing jobs.** Republicans gave large multinational corporations a special new tax break so they can pay less tax on their foreign profits than they pay here at home. This America-last tax break will lead to more jobs being shipped offshore and more tax dodging, all at the expense of working families.
- **Working families foot the bill.** Working families will pay the price for this Republican tax giveaway to multinational corporations through outsourced jobs, higher taxes, higher healthcare premiums and cuts to Medicare, Social Security, and other vital services.
- **Broken Trump/Republican promise.** President Trump made stopping the outsourcing of American jobs a central element of his 2016 election platform, yet his tax bill does just the opposite: it creates a new, powerful tax incentive for multinationals to send American jobs and profits offshore.
- **Unfair playing field.** Small businesses and domestic companies won’t benefit from this new tax break for outsourcing, putting them at a competitive disadvantage. Let’s level the playing field so that profits earned abroad are not taxed less than profits made in America.

ENDORSERS: Over 50 organizations found here, along with a bill summary. It is cosponsored by nearly 70 House Members.
Prepared by the Office of Rep. Lloyd Doggett, Ranking Member, Tax Policy Subcommittee. For more information, please contact Dan Smith, 202.225.4865, Dan.Smith@Mail.House.Gov

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APPENDIX: CORE MESSAGE RECOMMENDATIONS FROM POLLING

Below are progressive messages that have tested the best in polls against strong conservative messages. Modified versions of these messages have been incorporated in the recommended TALKING POINTS earlier in this briefing book.

**Hart Research Assoc. & Global Strategy Group, March 3-15, 2018**

**Winning the 2018 Tax Debate**

**Sample Size:** National online survey on the political impact of the December 2017 tax law among 2,065 likely 2018 voters—including oversamples in Senate battleground states and battleground House districts.

**Tradeoffs:** “We will pay a price for these huge tax breaks to corporations and wealthy campaign donors. Republicans are already proposing cuts to Medicare, Medicaid, Social Security and education. Instead, we should make sure the rich and corporations pay their fair share of taxes, so we can protect these priorities. And we should invest in our communities to have better schools, fix roads, bridges and transit systems, make healthcare more affordable, and provide a secure retirement with dignity.” (60% agree vs. 40% for the Republican pro-tax cut message)

**Tax Fairness:** “This law delivers huge tax breaks to millionaires and wealthy corporations, while middle-class families are left to pick up the tab yet again. 83% of the tax cuts go to the richest 1%, while a majority of Americans will eventually end up paying higher taxes. Republicans gave permanent tax cuts to big drug companies, big oil, and other corporations, but average Americans only got temporary tax cuts. This law rigs the tax code and the economy even further in favor of those at the top.” (54% agree vs. 46% for the Republican pro-tax-cut message)

**Greenberg Research & Democracy Corps, June 1-5, 2018**

**Trump-GOP Tax Cut Integral to Democratic Midterm Message**

**Sample Size:** National web survey took place from June 1-5, 2018 among 1,400 registered voters from a voter file sample. Margin of error for the full sample is +/-2.97 percentage points at the 95% confidence level.

**Raise Taxes for Education:** “Education is the key to a better future – for people and for the country. But 29 states are spending less on public education than they were a decade ago and teachers across the country are being forced to take to the streets to fight for resources politicians won’t give them. Trump and Republicans spent $2.2 trillion on a tax cut for corporations and the rich. We should end the Trump tax cut for the rich, so we can invest in our schools, programs kids need, and higher pay for teachers.” (69% say they are more likely to support candidates who say this, 38% much more likely)
**Rigged Economy:** “We need to change the political leadership in Washington. They are dividing the country and handing the government over to their wealthy donors and corporations. The economy is rigged in favor of the corporations and the wealthy who just received a big tax cut while wages are still too low for families to keep up with rising costs. My priority will be an economy that works for everyone, not just the wealthy.” (66% support, 37% much more likely)

**Repeal Tax Cuts and Raise Taxes Message:** “We need to change the political leadership in Washington. They are dividing the country and handing the government over to their wealthy donors and corporations at the expense of working people and the middle class. Their tax scam for the rich recklessly drives up the deficit to justify their cuts to Social Security and Medicare and even less in education, infrastructure and health care. I want to be very clear: their huge tax giveaway is wrong, and I will vote to put back higher taxes on the richest so we can invest in education and make health care more affordable. (63% support, 37% strongly)

**Lake Research Partners, May 2018**

**Take on Wall Street Poll: Key Findings from Battleground Congressional District Survey on Curbing Wall Street’s Influence**

**Sample Size:** Survey was designed and administered in consultation with Chesapeake Beach Consulting, a Republican-oriented polling firm. It was conducted by phone using professional interviewers and reached 1,000 likely 2018 General Election voters in battleground Congressional districts, including an oversample of 350 potential surge/drop-off voters. The list of districts was defined as the 100 battleground districts listed by Cook Political Report. The survey was conducted April 28th through May 7th, 2018 and has a margin of error of +/- 3.1%.

**Reverse the Tax Cuts to Protect Healthcare and Invest:** “Some people say that America will pay a price for these huge tax breaks won by lobbyists for Wall Street and wealthy campaign donors. Some in Congress are already proposing cuts to Medicare, Medicaid, Social Security and education to pay for the tax cuts for Wall Street and the super-rich. To grow our economy, we should reverse the recent tax bill to make sure Wall Street and big corporations pay their fair share of taxes so we can protect affordable healthcare and retirement. And we should also use the money to increase investments in our communities to have better schools, fix roads, bridges, transit systems, and make healthcare and prescription drugs more affordable. These are the steps to building an economy that works for us.”

This message beats the conservative pro-tax cut argument by 9 points among base voters and 22 points among drop-off voters who regularly vote in presidential years but rarely in off-year elections.

**Repeal the Tax Bill for Wall Street:** “This tax bill was supposed to benefit all Americans. But while hardworking families haven’t seen much in their paychecks, Wall Street banks are already cashing out. They are the single largest beneficiaries of the bill, collectively getting over $250 billion in new tax breaks. What’s worse, the money is going to big banks like Wells Fargo who helped cause the financial crisis and have been caught cheating their customers and workers again and again since. This tax bill was written to benefit Wall Street, not our families.”
71% find this a convincing reason to support the government taking a tougher stance on Wall Street, including nearly half (48%) who find it very convincing. Drop-off voters find this argument similarly motivating, with 75% rating it as convincing, including 48% who rate it very convincing.

**Wall Street Influence = Economic Inequality and a Rigged Economy:** “Big banks and Wall Street billionaires have rigged the economy. The gains go to those at the top while millions of families are still struggling to get back on their feet. Wall Street billionaires use loopholes to pay lower taxes than teachers, and hedge fund and private equity managers squeeze more and more for themselves out of companies while reducing benefits and eliminating jobs. We need to re-write the rules to make the economy work for working families, not just billionaires and big banks.”

*A message highlighting Wall Street’s role in rigging the economic system to reap benefits for the wealthy resonates deeply with drop-off voters who feel our economic priorities are backwards. Fully 80% find this message convincing, including a majority (53%) who rate it very convincing. The message also resonates powerfully with likely voters (73% convincing, 48% very convincing).*

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### Hart Research Assoc. for Protect Our Care, June 11-17, 2018

**The State of Play on Health Care: Opportunities for Offense**

**Sample Size:** Nationwide online survey among 1,035 likely voters conducted June 11 to 17, 2018.

**Democrats have important advantages over Republicans on the issue of health care:** But there is a need for Democrats to aggressively assert those advantages, as some of the worst aspects of Republican healthcare policy are not as top of mind for voters as they were last summer. Two of the most important points to make about Republicans are they:

- Support massive cuts to Medicare and Medicaid to pay for their tax cut to corporate special interests; and
- Have given gigantic tax cuts to the insurance companies and big drug companies, which continue to pad their profits while raising healthcare costs for average Americans

**Voters blame Trump/Republicans far more than Democrats:** For increases in health insurance premiums, and they blame insurance companies as well. The instinct to blame Trump/Republicans rather than Democrats or the ACA itself can be deepened by:

- Tying Republicans to insurance and drug companies that got big tax cuts and still raise rates and prices, and
- Emphasizing ways in which Trump has caused premiums to go up through his efforts to undermine the current law
Many of the best healthcare negatives against the GOP include ties to the tax law:

<table>
<thead>
<tr>
<th>Issue</th>
<th>Very Major Doubts</th>
<th>Fairly Major Doubts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voted to give huge tax cuts to major pharmaceutical companies that continue to jack up prices for Rx drugs</td>
<td>55%</td>
<td>21%</td>
<td>76%</td>
</tr>
<tr>
<td>Voted to give huge tax cuts to big health insurance, who are using tax cuts to pad profits instead of lowering premiums</td>
<td>59%</td>
<td>21%</td>
<td>80%</td>
</tr>
<tr>
<td>Voted for massive tax cuts to corporate special interests, Americans foot the bill: Medicare/Medicaid gutted</td>
<td>56%</td>
<td>19%</td>
<td>75%</td>
</tr>
<tr>
<td>Voted to give huge tax cuts to major pharmaceutical companies that are using tax cuts to reward CEOs, continue to jack up Rx prices</td>
<td>53%</td>
<td>22%</td>
<td>75%</td>
</tr>
<tr>
<td>Voted for tax bill that gives huge tax cuts to wealthiest, while mainly average people are seeing their tax cut wiped out by higher healthcare costs</td>
<td>82%</td>
<td>20%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: The State of Play on Healthcare: Opportunities for Offense – June 2018 – Hart Research for Protect Our Care

**Garin-Hart-Yang Research Group & Global Strategy Group for Priorities USA, May 29, 2018**, Connecting Voters Personal Finances to the Tax Bill

**Sample Size:** This poll was conducted by telephone May 18 – May 24, with a representative national cross section of 1,003 presidential year voters. The margin of error is +/- 3.1 percentage points, and care has been taken to ensure that the geographic and demographic divisions of the electorate are properly represented based on past voter turnout statistics.

**Title:** The tax bill was touted by Republicans as the centerpiece of their election plans, but the Priorities USA poll shows that the new tax law instead presents potent new lines of attack for Democratic candidates and their allies. Voters are especially moved by contrasts between the large tax cuts received by drug companies and oil companies and the higher costs these companies continue to pass on to consumers:

- **Drug Companies:** In the tax law passed last year, Trump and the Republicans in Congress gave billions in tax cuts to drug companies, saving the country’s top ten drug companies $76 billion in taxes on their offshore profits alone in 2018. Now, those drug companies are earning record profits by jacking up drug prices on middle-class people. *70% of voters have major concerns*

- **Wall Street:** In the tax law passed last year, Trump and the Republicans in Congress gave the biggest Wall Street banks a massive tax cut, allowing them to save $3.6 billion in just the first three months of this year. Now, the banks are pocketing this money instead of working to improve the economy. *61% of voters have major concerns*

- **Oil Companies:** In the tax law passed last year, Trump and the Republicans in Congress gave $25 billion in tax breaks to oil companies. Now, those oil companies are boosting their own profits further by raising gas prices on middle-class people. *59% of voters have major concerns*