



For Immediate Release
July 9, 2019

ATF ACTION FUND APPLAUDS TAX REFORM PLAN BY PRESIDENTIAL CANDIDATE SETH MOULTON

Comprehensive Proposal is ‘Solid, Progressive Alternative’ to GOP Tax Cuts for Wealthy

WASHINGTON, D.C. – Americans for Tax Fairness Action Fund (ATFAF) today praised a major progressive tax reform proposal by Democratic presidential candidate Rep. Seth Moulton (D-MA) as a “solid, progressive alternative” to the Trump-GOP tax cuts, which mostly benefited the wealthy and big corporations. Moulton estimates his plan would raise \$2.8 trillion over 10 years—largely by requiring the wealthy and corporations to pay a fairer share of taxes—whereas the Trump-GOP tax cuts [cost \\$1.9 trillion](#).

Frank Clemente, executive director of ATFAF, said Moulton is the first candidate to offer a detailed plan to repeal key parts of the Tax Cuts and Jobs Act of 2017 (TCJA) benefiting the well-off, corporations and businesses. Instead, he proposes reforms that would reward work over wealth, raise trillions in needed revenue for critical services and create a fairer tax system. He said Moulton’s plan corresponds to many reform options included in a report by Americans for Tax Fairness, a sister organization to AFTAF: [Tax Fairness Now: Revenue Options for a Fair Tax System](#) released in April.

“Rep. Moulton deserves credit for acting to remedy the unfairness of the Trump-GOP tax scam that has handed huge tax cuts to the wealthy and big corporations,” Clemente said. “His plan would begin to create a fairer tax code that is now rigged in favor of the wealthy and powerful. It would demand more from the most fortunate, close loopholes and begin to create an economy that works for everyone – not just the privileged few.”

Included in Moulton’s plan are proposals to:

- **Increase the Corporate Tax Rate to 25%.** The TCJA decreased the corporate tax rate from 35% to 21%. Increasing it slightly to 25% would raise more than \$350 billion over 10 years. ATFAF believes the corporate tax rate should be higher still and that the tax rate on offshore profits, which is about half the 21% rate, should be increased to match the domestic rate.
- **Equate the Rates.** By eliminating the difference between the tax rate on long term capital gains and ordinary income, Moulton takes a major step towards taxing income from investments at the same rate as income from wages and salaries. Investment income largely flows to the richest 1%.
- **End Tax Shelters.** The plan would “move the corporate tax rate to a per-country minimum on worldwide income.” This is an important step to limit profit shifting to tax havens and other low-tax countries by large corporations.

- **Reform the Estate Tax.** The plan returns the threshold at which estate taxes are assessed to the 2009 levels of \$3.5 million for an individual and \$7 million for couples. This level would affect fewer than [2 out of every 1,000 estates](#). Also, importantly the plan eliminates step-up in basis that allows taxpayers to avoid paying any taxes on the growth in value of assets such as stocks if they are passed on to heirs of estates before they are sold.
- **End the Pass-through Deduction.** The TCJA created a new loophole that allows owners of most pass-through businesses to exclude 20% of their business income from taxation—effectively lowering the top tax rate to as low as 29.6%, from 37%. Sold by President Trump and the GOP as a small business tax cut, three-fifths of the value of this tax break will [go to the richest 1%](#) of business owners by 2024, such as real estate moguls like Trump.
- **Close Tax Loopholes.** Included are the carried interest and real estate loopholes that allow the wealthy to pay a lower tax rate than many working families.
- **Step up Tax Enforcement.** The plan would spend an extra \$2 billion a year to beef up the IRS audit staff to target tax avoidance by wealthier taxpayers.

Moulton did not say how he would spend the nearly \$3 trillion in new revenue he estimates his plan would raise but suggested it could provide greater health care coverage for more Americans, increase education funding, address climate change or other pressing needs.

Clemente emphasized that ATFAP is not endorsing the Moulton plan or any candidate in the 2020 race. “But I hope other candidates who have not yet proposed major progressive tax reforms will take notice of Moulton’s sensible proposal and offer their own ambitious plans,” he said. “Polls consistently show that most Americans [view the Trump-GOP tax cuts unfavorably](#), because they have not seen much of a tax cut and they correctly believe that the law largely favored the rich and corporations. Voters are ready for change and more than that they are ready for a tax system that’s fair to everyone, not the one we have that mostly benefits the wealthy and big corporations.”

Contact:

Dennis Bailey

Director of Communications

Americans for Tax Fairness

202.733.3444

dbailey@americansfortaxfairness.org