



A Union of Professionals

Stop the GOP Tax Scam (H.R. 1)

Many did not think it was possible, but the Republicans have managed to use the conference process to produce a final tax bill that is even sweeter for the rich while mortgaging the future of everyone else.

The winners and losers under the Trump/Ryan/McConnell Republican tax bill (H.R. 1) are clear, and the lines are drawn. Under President Trump, Sen. Mitch McConnell and House Speaker Paul Ryan, congressional Republicans have shut “we the people” out of our government and broken every promise they made to working folks, in order to serve the interests of donors and big corporations. Americans across the country have fought to make their voices heard and have mitigated the damage this bill would cause in some regards, but H.R. 1 is nothing more than a holiday present for corporations, donors and ideologues at the expense of the middle class and everyone else.

We have fought this bill tooth and nail, successfully protecting important middle-class benefits such as the \$250 tax deduction for classroom supplies (which is used by 99.5 percent of teachers), deductions for medical expenses and student loan interest, and the tax-free status of graduate-school tuition waivers, but those don't obscure the fact that this bill is a redistribution of wealth to the already rich.

Despite claims that the bill offers a tax break to working families, millions of middle-class families would see their tax burden increase. It does nothing to increase wages and, instead, increases the deficit and limits our ability to invest in the infrastructure, health, education and retirement programs our country desperately needs.

The final bill would:

- Provide a massive tax cut to millionaires and corporations. More than 60 percent of the tax cuts would go to the richest 1 percent of American citizens.
- Raise taxes on more than 80 million middle-class families (those making under \$200,000, including more than 60 million making under \$100,000).
- Raise taxes on working families by reducing the state and local tax deductions used by millions of middle-class families (deductions that help support investments in public services like education, public safety, healthcare and infrastructure) while retaining the full SALT deduction for businesses and corporations.

The **American Federation of Teachers** is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

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- Help the wealthy by retaining the carried interest loophole, a tax shelter benefiting the hedge fund industry, and by providing tax breaks to private jet owners, while further hurting working families and raising their taxes by eliminating deductions for union dues and reducing the mortgage interest deduction.
- Strip 13 million Americans of their health insurance and raise insurance premiums on the individual market by \$2,000, on average, for millions of other families.
- Expand a tax shelter for the wealthy by allowing individuals to profit by “donating” to private schools, effectively providing an expanded tax subsidy that promotes privatization of K-12 schools at the very time Congress is proposing to slash funding for public schools, which 90 percent of students attend.
- Expand 529 college savings accounts to allow families to use them for private school tuition and home-school costs.
- Trigger automatic Medicare cuts of \$25 billion next year and \$400 billion over 10 years, in addition to hundreds of billions of dollars’ worth of automatic cuts to other social services over the next decade.
- Add more than \$1 trillion to the national debt, which the GOP will claim will require additional dramatic cuts in the near future to Medicare, Medicaid, Social Security and public education. In fact, right after voting to give \$1.5 trillion in tax breaks to the richest 1 percent and big corporations, Sen. Orrin Hatch (R-Utah), a chief architect of the bill, said the reason the Children’s Health Insurance Program is “having trouble is because we don’t have the money anymore.”
<https://www.facebook.com/Americans4TaxFairness/photos/a.341019769314788.78523.312652025484896/1534220926661327/?type=3&theater>
- Impose a new excise tax on manufacturers in Puerto Rico, which would treat the island as a foreign jurisdiction, thereby treating American citizens living in Puerto Rico differently than American citizens living in the 50 states. This new excise tax would cripple Puerto Rico’s recovery from Hurricane Maria at a time when the need for economic growth is critical.