



GOP TAX PLAN: CONGRESSIONAL FACT SHEET

Tax proposals from the Trump Administration and Congressional leaders threaten deep reductions to many critical services used by Ohio residents. This fact sheet highlights the individuals in each Congressional district who use important federally-funded services, and how they may be affected. Figures represent the current number and percentage of residents served by programs for each district. These are not estimates of the impact of potential federal proposals, either in terms of residents who would lose services or the amount of funding that would be cut.

Table 1	
Supplemental Nutrition Assistance Program (SNAP)	
Households receiving SNAP	# in District 2
Total (% of all district households)	38,421 (13%)
With at least one child under 18	17,097
With at least one member over 60	11,680
Under the poverty level	20,632
With a person with disabilities	22,207

Source: USDA FNS SNAP Program Data (downloaded December 2016), Reaching Those in Need: Estimates of State SNAP Participation Rates (forthcoming); U.S. Census Bureau 2015 American Community Survey (ACS), using 114th Congressional District boundaries

The Supplemental Nutrition Assistance Program (SNAP) serves a broad spectrum of low income people. If the tax plan passes, it will add \$1.5 trillion to the federal deficit and likely result in cuts to programs like SNAP. Both Congress and President Trump released budget blueprints that propose large cuts to federal food aid. In FY 2015, SNAP provided about \$2.53 billion in food benefits to a monthly average of 1,676,263 people in Ohio. SNAP has an economic multiplier effect; every dollar in new SNAP benefits results in \$1.80 in total economic activity. Proposed cuts to federal supports that help families afford the basics of food will hurt working families, many of whom have children under 18. The current tax reform plan would shift huge new costs to Ohio and reduce or eliminate food assistance for many. Many families, including those with children and seniors, would lose aid they receive from the SNAP. Cuts to this program harm working families, children, and those who live with disabilities.

Table 2		
Federal programs for higher education help many students in Congressional District 2		
Program	#	\$
Pell grants	4,245	\$ 15,766,185
Perkins loans	0	\$0
Federal unsubsidized loans	3,585	\$12,871,765

Sources: Data were obtained from Federal Student Aid, U.S. Department of Education. Analysis by the National Association of Independent Colleges and Universities. Pell Grants based on expenditures reported for award year 2015-16. Federal Student Aid data as of December 2016. Perkins Loans are for academic year 2016-17. The amounts are authorized level of expenditure. Data for Direct Loans are preliminary for academic year 2015-16.

The tax plan proposed by Congress could also lead to cuts in federally supported educational supports that help low-income students access higher education. Budget proposals put forth by President Trump and Congressional Republicans both include deep cuts to federal student aid. The federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education. Federal Perkins Loans and federal unsubsidized loans provide low-interest loans for both undergraduate and graduate students. These programs help make education accessible for low-income students.

Table 3	
Health care in District 2	
	#
Marketplace and Basic Health Plan enrollees	13,900
Marketplaces enrollees with advanced premium tax credits	10,300
Marketplace enrollment with CSRs	6,300

Source: ASPE for Healthcare.gov states, and from state reports for State-Based Marketplaces

The Senate GOP tax bill includes a repeal of the Affordable Care Act’s (ACA) individual mandate, which requires individuals to buy health insurance through the ACA marketplaces if they do not have coverage through other means. Removing the individual mandate would affect health care premiums for the hundreds of thousands of Ohioans who rely on ACA coverage to access medical care and mental health benefits.

Table 4	
State and Local Tax Deductions in District 2	
Percent of Tax Units Using SALT Deduction (%)	26%
Average Salt Deduction*	\$10,400
Average Taxpayer Deduction**	\$2,737
<i>Source: IRS SOI Tax Stats (2015). * Calculated as SALT deduction amount divided by number of SALT deductions. ** Calculated as SALT deduction amount divided by number of tax filers.</i>	

Congressional tax bills include removing the State and Local Tax (SALT) deduction, which would drastically impact about a third of Ohioans. Nationally, SALT is currently used by about 30 percent of all taxpayers, who are able to avoid being taxed twice on the same income. SALT makes it more affordable to own a home, through deductions on property tax and mortgage interest. It also encourages spending, through deductions on charitable donations and sales tax. Changes in SALT will affect all Americans, driving changes in the housing markets, and cause a loss in wealth for many Americans. This will also create pressure on state and local governments, making it harder for them to raise revenue.