



**PRESS RELEASE
DECEMBER 18, 2017**

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GOP's final tax plan remains a generous gift to the rich and major corporations

The final federal tax plan that Republican leaders pushed through a House-Senate joint committee last week remains what it has been all along: a huge tax cut for the very wealthiest and major corporations. New [analysis](#) by the Institute on Taxation and Economic Policy finds the top 1 percent of Ohioans, with an average annual income of about \$1.6 million, will get an average tax cut of \$47,510, while those in the middle, with an average income of \$50,600, will get an average cut of \$800. Ohio's working poor families will get an average cut of \$370. The poorest Ohio taxpayers will get an annual average tax cut of \$100.

By 2027, the bottom 80 percent of Ohio taxpayers in terms of income will, on average, be paying more in tax hikes or getting negligible benefits as a result of the bill slated to be voted on this week. During this time, programs that have protected Americans from recession, job loss and personal hardship will be cut to pay for tax cuts to top earners and major corporations.

Republicans are already [describing](#) how they will pay for this lavish gift to corporations and the wealthy by slashing Medicaid, Medicare, Social Security and other programs that help families. Preliminary estimates find the plan will expand the budget deficit by [\\$1.46 trillion](#), which will put federal funding for education, infrastructure, clean water, medical research and other critical programs on the chopping block as well.

Tables 1 and 2 show the impact of the final Republican tax plan in 2019, the first year it will take effect, and 2027, the final year. In Ohio, half of the total benefit in 2019 will go to the top 5 percent of taxpayers, those earning more than \$197,590 a year. By 2027, the bottom 60 percent of taxpayers as a group are actually paying higher taxes, funding a far greater share of benefits for the richest 5 percent.

Table 1

Impact of the Senate tax plan in 2019 in Ohio

Income					All Taxpayers				Taxpayers with Cut or Hike			
Income group	Income range			Average income	Total change in thousands	Average tax change	Change as percent of pre-tax income	Share of tax change	Share with tax cut	Total returns with cut	Share with tax hike	Total returns with hike
Poorest 20%	Less than		\$23,670	\$13,600	-\$118,400	\$ -100	-0.8%	1%	59%	685,920	5%	58,710
Second 20%	\$23,670	to	\$40,770	\$32,100	-\$428,900	\$ -370	-1.2%	4%	82%	941,690	8%	90,980
Middle 20%	\$40,770	to	\$62,100	\$50,600	-\$926,500	\$ -800	-1.6%	9%	91%	1,060,480	5%	52,750
Fourth 20%	\$62,100	to	\$101,530	\$78,300	-\$1,436,500	\$ -1,240	-1.6%	14%	91%	1,053,570	8%	96,720
Next 15%	\$101,530	to	\$197,590	\$135,100	-\$2,284,000	\$ -2,640	-2.0%	22%	91%	784,350	9%	80,640
Next 4%	\$197,590	to	\$507,230	\$293,000	-\$2,403,200	\$ -10,300	-3.5%	23%	94%	219,140	6%	14,010
Richest 1%	\$507,230	and	higher	\$1,602,700	-\$2,756,300	\$ -47,510	-3.0%	27%	98%	56,880	2%	950
ALL				\$82,200	-\$10,353,800	\$ -1,770	-2.2%	100%	83%	4,824,890	7%	394,770
Bottom 60%	Less than		\$62,100	\$32,100	-\$1,473,800	\$ -420	-1.3%	14%	77%	2,688,090	6%	202,440

Table 2

Impact of the Senate tax plan in 2027 in Ohio

Income					All Taxpayers				Taxpayers with Cut or Hike			
Income group	Income Range			Average income	Total change in thousands	Average tax change	Change as percent of pre-tax income	Share of tax change	Share with tax cut	Total returns with cut	Share with tax hike	Total returns with hike
Poorest 20%	Less than		\$32,410	\$18,700	\$83,100	\$ + 60	0.3%	-23%	53%	712,150	27%	364,780
Second 20%	\$32,410	to	\$55,590	\$43,400	\$91,400	\$ + 70	0.2%	-25%	66%	853,290	23%	302,840
Middle 20%	\$55,590	to	\$83,750	\$69,000	\$56,600	\$ + 40	0.1%	-16%	62%	780,920	34%	434,460
Fourth 20%	\$83,750	to	\$132,850	\$105,000	-\$28,500	\$ -20	0.0%	8%	79%	915,250	20%	229,500
Next 15%	\$132,850	to	\$265,510	\$177,800	-\$97,400	\$ -110	-0.1%	27%	65%	567,620	35%	304,820
Next 4%	\$265,510	to	\$658,800	\$393,800	-\$155,400	\$ -730	-0.2%	43%	96%	204,400	4%	9,080
Richest 1%	\$658,800	and	higher	\$2,042,000	-\$313,200	\$ -5,590	-0.3%	87%	99%	55,460	1%	480
ALL				\$102,900	-\$361,600	\$ -60	-0.1%	100%	66%	4,126,440	26%	1,645,960
Bottom 60%	Less than		\$83,750	\$43,300	\$231,100	\$ + 60	0.1%	-64%	60%	2,346,360	28%	1,102,080

Income inequality is challenging economic progress in America. This tax plan makes it worse. Small compromises inserted at the last minute offer little improvement. Most economists believe that it will not boost the economy over the decade it is in effect. It will expand the budget deficit, driving political pressure to slash programs that help struggling families and build opportunity.

This tax plan is no gift to most working Ohio families.

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.