



**PRESS STATEMENT
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More of the same: Senate GOP tax bill redistributes wealth upward

The Republican Senate tax plan, like its precursors from the president and the House, lavishes tax cuts on the wealthiest Ohioans while raising taxes for some middle-class families and dramatically growing the deficit, endangering funding for critical programs many Ohio families depend on.

A new [study](#) by the Institute on Taxation and Economic Policy (ITEP) finds the Senate tax plan provides tax cuts averaging close to \$42,000 a year — 2 percent of pre-tax income — to the richest 1 percent of Ohioans as of 2027. This plan is a little more generous than earlier GOP plans to the next highest 4 percent of earners: They also get a cut of 2 percent of pre-tax income. Altogether, the top 5 percent of Ohio earners get 45 percent or more of the total value of the tax cut over the decade. The bottom 60 percent of taxpayers get around 20 percent.

In contrast, the poorest get a cut that is less than 1 percent of pre-tax income — half of the share the richest get. Like the other tax plans, the Senate bill opens a \$1.5 trillion hole in the federal deficit over 10 years and will create pressure to cut programs that help struggling people and families with food, shelter, health care and other critical services. Children, disabled people, seniors and students are among the groups that will be hurt the most.

“The three plans we’ve seen have been very similar in structure and impact, with huge cuts to the wealthiest and corporations, and modest or negligible benefits to everyday working Ohio families,” said Wendy Patton, Senior Project Director of Policy Matters Ohio. “For many families, the value of any tax cut they get will be wiped out as the deficit explodes, driving pressure to cut health care, nutritional assistance, financial aid and funding for clean water and safe roads.”

In Ohio, the Senate tax plan would give the richest 1 percent an average tax cut of \$32,300 in 2019, growing to \$41,840 by 2027. This is slightly less extravagant than the House plan, but still enormous compared to other income groups. On average, a household in the middle 20 percent would get a tax cut of \$630 in 2019 that would grow to \$790 by 2027.

Like the other GOP tax plans, some households will pay more under the Senate version. Both in 2019 and 2027, more than one in 10 Ohioans would pay more under the Senate GOP plan. An even greater share of upper-middle-income residents would pay more. However, only 2 percent of the wealthiest 1 percent would face a tax hike under the Senate plan.

“The Senate plan is similar to the House plan because it is aimed at helping the richest, not the rest of us,” Patton said. “Meanwhile, the cuts these plans will surely cause will hurt the most vulnerable and reduce or eliminate federal programs people value: Medical research to cure diseases, funding for roads, bridges and clean water, financial aid for college students and health care for the elderly, people with disabilities and families of low and modest income.”

Table 1

Impact of the Senate tax plan in 2019 in Ohio

Income				All Taxpayers					Taxpayers w/ Tax Cut			Taxpayers w/ Tax Hike		
Income Group	Income Range			Average Income	Tot. Change (\$1000s)	Avg. Tax Change \$	Change as a % of Pre-Tax Income	Share of Tax Change	Share w/ Tax Cut	Tot. Returns w/Cut	Avg. Cut \$	Share w/ Tax Hike	Tot. Returns w/Hike	Avg. Hike \$
Poorest 20%	Less than		\$23,670	\$13,600	-\$101,700	-\$90	-0.6%	1%	59%	684,000	\$ -150	5%	58,000	\$+50
Second 20%	\$23,670	to	\$40,770	\$32,100	-\$387,500	-\$340	-1.0%	6%	82%	946,000	\$ -440	7%	85,200	\$+370
Middle 20%	\$40,770	to	\$62,100	\$50,600	-\$727,100	-\$630	-1.2%	11%	88%	1,020,000	\$ -780	8%	92,600	\$+700
Fourth 20%	\$62,100	to	\$101,530	\$78,300	-\$970,200	-\$840	-1.1%	14%	82%	951,000	\$ -1,260	17%	198,200	\$+1,160
Next 15%	\$101,530	to	\$197,590	\$135,100	-\$1,447,300	-\$1,670	-1.2%	21%	80%	693,000	\$ -2,450	20%	171,500	\$+1,480
Next 4%	\$197,590	to	\$507,230	\$293,000	-\$1,370,800	-\$5,880	-2.0%	20%	82%	191,000	\$ -7,680	18%	42,400	\$+2,200
Richest 1%	\$507,230	and	higher	\$1,602,700	-\$1,874,000	-\$32,300	-2.0%	27%	98%	57,000	\$ -33,190	2%	1,100	\$+9,970
ALL				\$82,200	\$ -6,878,600	\$ -1,180	-1.4%		78%	4,542,000	\$ -1,660	11%	649,000	\$+1,060
Bottom 60%	Less than		\$62,100	\$32,100	\$ -1,216,300	\$ -350	-1.1%	18%	76%	2,650,000	\$ -500	7%	235,800	\$+420

Source: Institute on Taxation and Economic Policy

Table 2

Impact of the Senate tax plan in 2027 in Ohio

Income				All Taxpayers					Taxpayers w/ Tax Cut			Taxpayers w/ Tax Hike		
Income Group	Income Range			Average Income	Tot. Change (\$1000s)	Avg. Tax Change \$	Change as a % of Pre-Tax Income	Share of Tax Change	Share w/ Tax Cut	Tot. Returns w/Cut	Avg. Cut \$	Share w/ Tax Hike	Tot. Returns w/Hike	Avg. Hike \$
Poorest 20%	Less than		\$32,410	\$18,700	-\$224,300	-\$170	-0.9%	3%	80%	1,073,000	\$ -220	2%	33,100	\$+290
Second 20%	\$32,410	to	\$55,590	\$43,400	-\$614,500	-\$480	-1.1%	7%	83%	1,066,000	\$ -620	7%	96,400	\$+530
Middle 20%	\$55,590	to	\$83,750	\$69,000	-\$1,000,500	-\$790	-1.1%	11%	85%	1,078,000	\$ -1,070	11%	141,500	\$+1,060
Fourth 20%	\$83,750	to	\$132,850	\$105,000	-\$1,308,800	-\$1,130	-1.1%	15%	81%	936,000	\$ -1,680	18%	211,800	\$+1,260
Next 15%	\$132,850	to	\$265,510	\$177,800	-\$1,763,100	-\$2,010	-1.1%	20%	77%	676,000	\$ -3,190	23%	199,100	\$+1,960
Next 4%	\$265,510	to	\$658,800	\$393,800	-\$1,712,500	-\$8,020	-2.0%	19%	84%	180,000	\$ -10,070	16%	33,400	\$+3,020
Richest 1%	\$658,800	and	higher	\$2,042,000	-\$2,343,000	-\$41,840	-2.0%	26%	98%	55,000	\$ -43,060	2%	1,100	\$+19,810
ALL				\$102,900	\$ -8,967,000	\$ -1,430	-1.4%		81%	5,064,000	\$ -1,950	11%	716,400	\$+1,380
Bottom 60%	Less than		\$83,750	\$43,300	\$ -1,839,300	\$ -350	-1.1%	21%	83%	3,217,000	\$ -640	7%	271,000	\$+780

Source: Institute on Taxation and Economic Policy

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