

Extreme MAGA Republicans Propose Handouts to Rich and Tax Hikes for Working Families

President Biden Asks the Super-Wealthy to Pay Their Fair Share and Cuts Taxes for Hardworking Families

The President's economic vision is to invest in America and grow the economy from the bottom up and middle out, not the top down. As part of his plan to cut costs for Americans and give families more breathing room, **the President's Budget cuts taxes for working people and families with children by almost \$800 billion over the next 10 years**. Like the rest of the Budget's investments, these tax cuts are more than paid for by ensuring wealthy people and large corporations pay their fair share in taxes and by cutting spending on special interests, without raising taxes on anyone with income below \$400,000 per year.

Congressional Republicans have instead offered a set of top-down tax proposals. Their agenda would add **over \$3 trillion to the debt** with tax cuts and other giveaways skewed to the wealthy and large corporations. Remarkably, even as they have put forward trillions in tax cuts, they have also advanced proposals that would *raise* taxes on millions of middle-class and working Americans. And now, MAGA Republicans are **demanding massive cuts** to programs middle-class and working families, seniors, and students rely on — from **public safety** to health care to education — while **reportedly** declining to put forward a budget, which would show how much of these cuts are going to pay for their tax cuts, rather than reduce the debt.

Who would see a tax cut?

Under the President's Plan: Families with Children, Working Households, People Buying Health Insurance, and Families Adopting a Child

- **39 million families with children**. By increasing and improving the Child Tax Credit, the President would cut taxes by an average of **\$2,600 for 39 million families** that include **62 million children**. That includes **18 million children in low-income families** who would be newly eligible for the full credit, helping to continue historic reductions in child poverty.
- **19 million working individuals or couples**. By increasing and improving the Earned Income Tax Credit, the President's plan would cut taxes by an average of **\$800 for 19 million working individuals or couples**. That includes **2 million older workers** age 65 and older and **5 million young adults** age 18 to 24 newly eligible for the credit.
- **14.8 million people getting help purchasing health insurance**. The President's plan would make permanent his improvements to Affordable Care Act (ACA) premium tax credits, which are saving **14.8 million people an average of about \$800** this year.

- **70,000 families adopting a child.** By improving and expanding eligibility for the Adoption Tax Credit, the President’s plan would cut taxes by thousands of dollars on average for 70,000 families adopting a child, reducing the financial burden on low- and moderate-income families pursuing adoption, as well as for families who opt for legal guardianship.

Under Congressional Republican Proposals: Huge Corporations, Multi-Millionaires, Wealthy Tax Cheats

- **About 150 large, profitable businesses that could go back to paying less than 15% of income in taxes.** Congressional Republicans want to cut taxes for an estimated 150 large and profitable companies, firms with over \$1 billion in profits. In 2020, 55 of the largest, most profitable corporations paid \$0 in taxes.
- **120,000 households with incomes over \$4 million per year.** Extreme MAGA House Republican leaders have also introduced legislation to extend the expiring Trump tax cuts, including the large share that flow to the highest income Americans. That would deliver an average tax cut of **\$175,000** — over 2.5 times a typical family’s annual income — to the **120,000** highest income American households.
- **Wealthy people and businesses who cheat on their taxes.** While working people pay 99% of taxes on their wage and salary income, the top 1% hides about 20% of their income from tax, including by funneling it through offshore accounts and tax havens that do not report earnings. As their very first piece of legislation, House Republicans passed the Tax Cheats Protection Act to let wealthy people and businesses to keep cheating on over \$100 billion in taxes they owe.

Who would pay more?

Under the President’s Plan: Billionaires Who Now Pay Virtually Nothing, Huge Corporations Sheltering Income in Tax Havens, and Businesses Splurging on Stock Buybacks

Under the President’s plan, there are **no tax increases at all for anyone making less than \$400,000 per year.** But taxes would go up for:

- **Billionaires and multi-millionaires currently paying less tax than many middle-class families.** The President’s plan includes a 25% minimum tax on the wealthiest 0.01%, those with wealth of more than \$100 million. Because billionaires make their money in ways that are taxed at lower rates, and sometimes not taxed at all, many of the wealthiest Americans are able pay an average income tax rate of just 8 percent on their full incomes — a lower rate than many firefighters or teachers.

- **Multinational corporations that use loopholes and tax havens to pay less in tax than many middle-class families.** The President’s plan proposes to reform the international tax system to reduce incentives to shelter profits in tax havens and raise the tax rate on U.S. multinationals’ foreign earnings to 21%.
- **Corporations with massive stock buybacks.** President Biden signed into law a surcharge on corporate stock buybacks, which reduces the differential tax treatment between buybacks and dividends. This encourages businesses to invest in their growth and productivity as opposed to paying out corporate executives or funneling tax-preferred profits to foreign shareholders. The President’s Budget proposes quadrupling the stock buybacks tax to 4 percent to address the continued tax advantage for buybacks and encourage long-term investment over handouts to executives and shareholders.

Under Congressional Republican Proposals: Middle Class and Working Families and Seniors

- **14.8 million middle-class and low-income Americans getting help purchasing health insurance.** Extreme MAGA House Republicans have introduced [legislation](#) to immediately repeal President Biden’s improvements to ACA tax credits for people buying health insurance. Among those who would be particularly hard hit are:
 - Middle-income older people with high health insurance costs: A typical 60-year-old earning \$60,000 per year would face a tax increase of over \$6,000 for 2023. In areas with high health insurance premiums, the impact would be even greater.
 - Self-employed people and small business owners who don’t get health insurance through their jobs. In 2021, self-employed people and small business owners accounted for [25 percent](#) of working-age people with ACA marketplace coverage.
- **Working families and middle-class retirees.** Some Congressional Republicans [continue to push](#) a national retail sales tax [bill](#) that would repeal most existing taxes and impose a new 30% sales tax on American families. That legislation would increase the debt by [trillions of dollars](#) and deliver massive tax cuts to the well-off — while [increasing taxes](#) by \$7,000 for a retired couple with \$60,000 in Social Security income and by \$6,000 for a single mom making \$38,000 a year.

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