



TAX & BUDGET

THE REPUBLICAN TAX PLAN: WHAT'S AT STAKE FOR WOMEN AND FAMILIES

Republicans in the House and the Senate have released two versions of tax legislation, the "Tax Cuts and Jobs Act," but their impact is the same: to make women and families pay for tax cuts for millionaires, billionaires, and corporations. Although some of the details may differ, both bills would raise taxes for countless women and families in order to give new tax cuts to the wealthy few and big corporations. At the same time, the tax plan would cost approximately \$1.5 trillion over ten years—resulting in cuts to vital programs that are essential to the economic security of women and families.

THE REPUBLICAN TAX PLAN WOULD RAISE TAXES ON COUNTLESS WOMEN AND FAMILIES, BUT GIVE NEW TAX CUTS TO CORPORATIONS AND THE WEALTHY FEW.

Although Republicans claim that their tax plan will help middle-class families the most, a closer look at the legislation reveals that corporations and the wealthy are the primary beneficiaries -- while many women and families would actually see their taxes go up.

- **The bulk of the benefits of the Republican tax plan would go to the wealthy and corporations – not the women who are struggling most to make ends meet.** For example, nonpartisan estimates based on the original House tax bill show that, in 2018, over 75 percent of its benefits would go to the top 20 percent of households, while the bottom quintile of households would only receive around 2 percent of the benefits.¹
 - **Female-headed households are underrepresented among households receiving the bulk of tax benefits under the Republican tax plan.** Women who are supporting families on their own should get meaningful help under any tax plan. However, female-headed households are underrepresented in the top 20 percent of households,² which are estimated to receive the lion's share of benefits under the House and Senate tax plans.³

- **In contrast, female-headed households are overrepresented in the lowest income quintile,⁴ which would receive just a fraction of the overall tax benefits.** Estimates of the effects of the House and Senate tax bills, as introduced, show that households in the bottom 20 percent would receive a negligible share of the plan's overall benefits,⁵ despite their evident need.

- **Republican leaders in Congress are attempting to gut the Affordable Care Act through the tax bill.** The Senate version would repeal the ACA's individual responsibility provision,⁶ a requirement that most people enroll in coverage or pay a penalty. Estimates from the Congressional Budget Office (CBO) show that repealing the ACA's individual responsibility provision would increase the number of uninsured by 13 million over 10 years and raise insurance premiums in the individual markets by 10 percent.⁷ Repeal of the provision would also create chaos and uncertainty in the health marketplace. The Senate has already rejected an attempt to repeal the individual responsibility provision as part of "skinny repeal," but Republicans are trying to sneak this provision into their tax bill in order to provide even larger tax cuts for high-income households and corporations.⁸
- **The Republican tax plan would eliminate numerous tax benefits for women and families.** The House and Senate bills propose a myriad of policies that harm ordinary families, including eliminating personal and dependent exemptions (valued at \$4,150 for the taxpayer and each dependent), reducing or eliminating the deduction for state and local taxes, and eliminating benefits that help workers offset expenses they incur to go to work. These proposals would raise taxes for many families, especially those with children and those from higher tax states like California, Connecticut, Maryland, New Jersey, and New York. And while millions of families would lose valuable tax benefits under the Republican tax plan, Republicans are injecting anti-abortion ideology into the tax bill by providing that "unborn children" can be beneficiaries of a 529 college savings plan.⁹



- **Over time, millions of families would see their taxes go up.** One nonpartisan think tank estimates that by 2027, 30 percent of middle-income families would pay more in taxes under the House tax bill.¹⁰ Under the revised Senate bill, on average, taxpayers earning less than \$75,000 would see a tax increase in 2027.¹¹ This is in part because under the Republican plan, some tax benefits for families are temporary,¹² and in part because the Republican tax plan adjusts certain benefits for inflation more slowly than under current law, providing a lower cost of living adjustment each year on average and resulting in a “slowly growing tax increase over time.”¹³
- **The Republicans claim that their proposal around the Child Tax Credit would help working families, but it simply does not do enough.** The House and Senate bills propose an increase in the Child Tax Credit (CTC),¹⁴ but would leave out the families who need the most help. In contrast, the Republican plan makes families with six-figure incomes eligible to claim this credit for the first time.¹⁵
 - **The Republicans’ CTC proposal offers only modest help to women who are struggling to support their families.** Nearly two-thirds of minimum wage workers are women.¹⁶ Nearly six in ten workers in low-wage jobs are women – many of whom are supporting children.¹⁷ While the House and Senate bills propose to increase the CTC, they do not make this increase fully refundable.¹⁸ As a result, lower-income families would not receive the full benefit: for example, a single mother working full time at the federal minimum wage and earning \$14,500 would only receive an additional \$75 in CTC benefits under the more generous Senate bill.¹⁹ In addition, the tax plan adds a new requirement – providing a Social Security Number for each child claimed for the refundable portion of the CTC²⁰ – which could exclude a significant number of children in immigrant families. But the Republican plan would immediately make families with six figure incomes eligible to claim the CTC.²¹ And under the Senate bill, the CTC improvement would expire after 2025.²²
 - **The benefit that struggling families would receive from the Republicans’ CTC proposal is dwarfed by what the super-rich and corporations would receive from other parts of the bill.** While working families who struggle to pay for child care, food, clothing, and other necessities would receive only modest benefits from the CTC, millionaires and billionaires would reap enormous benefits from slashing the corporate tax rate, changes to the estate tax, repeal of the Alternative Minimum Tax, and more.²³ Indeed, nonpartisan analysis indicates that under the original Senate bill, the average tax cut received by the top 1 percent of tax filers (\$43,300) in 2027 would dwarf the average tax cut received by those in the middle income quintile (\$770) or in the lowest income quintile (\$190).²⁴
- **The Senate bill also adds a proposal for a business paid leave tax credit that would do little to increase workers’ access to paid medical or family leave.**²⁵ Today, just 15 percent of workers have access to paid family leave and fewer than 40 percent have access to personal medical leave for serious health issues.²⁶ Because the credit only covers a small fraction of companies’ costs, it is unlikely to offer an effective incentive for more companies to offer paid leave – especially for smaller businesses. Instead, the temporary tax credit would likely have the effect of subsidizing companies that already do so.²⁷ As a result, this paid leave credit proposal simply represents another tax giveaway to large corporations in a Republican tax plan that is already replete with them, while failing to guarantee the paid family leave that more than 100 million workers need.

WOMEN WILL LOSE ESSENTIAL SUPPORTS THAT HELP ENSURE HEALTH AND ECONOMIC SECURITY FOR THEMSELVES AND THEIR FAMILIES, AS A RESULT OF THE BUDGET CUTS THAT REPUBLICANS WILL SEEK TO MAKE TO PAY FOR THE TAX CUTS FOR THE WEALTHY.

The tax cuts in the Republican plan will slash revenue and cost approximately \$1.5 trillion over a ten-year period. This is a cost that will likely result in spending cuts, and Republicans have shown us through their budget proposals that they want to cut programs that are essential to the wellbeing of women and their families, including Medicaid, Medicare, nutrition assistance, Pell Grants, housing assistance, heating for low-income families, and more.

- **Medicaid.** The budget Congress passed calls for over \$1 trillion in cuts to Medicaid.²⁸ Medicaid provides health care coverage to over 33 million women and girls, and women comprise more than half of adult Medicaid recipients.²⁹ Medicaid has been critically important to economic security for women and their families, helping women dealing with serious health conditions, financing nearly half of all births in the U.S.,³⁰ accounting for nearly 75 percent of all publicly funded family planning services,³¹ and providing coverage that is not tied to employment to offer more career flexibility.
- **Nutrition Assistance.** The Supplemental Nutrition Assistance Program (SNAP) served, on average, more than 44.2 million people each month in Fiscal Year (FY) 2016.³² In FY 2015, women comprised the majority of adult SNAP recipients (62 percent of nonelderly and 64 percent of elderly recipients).³³
- **Child Care.** The Child Care and Development Block Grant (CCDBG) provides assistance to help low-income families with their child care costs. CCDBG benefits 1.4 million children and their families.³⁴ Yet due to insufficient funding, CCDBG and related programs reach fewer than one out of six children eligible for federal child care assistance.³⁵



- o **Pell Grants.** The Federal Pell Grant Program helps low-income students pursue a college education. In the 2011-12 academic year, women comprised 57 percent of Pell Grant undergraduate recipients.³⁶

This tax plan is not what women and their families need. If

the Republicans really wanted to help families through the tax code, they would forego the enormously costly tax cuts for the super-rich and corporations. Instead, they would focus on improving tax credits in ways that help low-income women and their families – including not only the Child Tax Credit, but also the Child and Dependent Care Tax Credit (specifically designed to help working families with their child care expenses), along with the Earned Income Tax Credit.

- 1 See INST. ON TAX'N AND ECON. POL'Y, RICHEST AMERICANS BENEFIT MOST FROM THE TAX CUTS AND JOBS ACT, (Nov. 6, 2017) (analyzing House bill), *available at* <https://itep.org/housetaxplan/> [hereinafter "ITEP HOUSE ANALYSIS"]; see also INST. ON TAX'N AND ECON. POL'Y, SENATE TAX PLAN PROVIDES BIGGEST TAX CUTS FOR RICHEST HOUSEHOLDS (Nov. 13, 2017), *available at* <https://itep.org/senatetaxplan/> [hereinafter "ITEP SENATE BILL ANALYSIS"] (finding that in 2019, 68 percent of the Senate tax plan's benefits would accrue to the top income quintile while only 2 percent of overall benefits would go to the lowest income quintile).
- 2 NWLC calculations based on U.S. CENSUS BUREAU, 2016 CURRENT POPULATION SURVEY, TABLE HINC-05 PERCENT DISTRIBUTION OF HOUSEHOLDS, BY SELECTED CHARACTERISTICS WITHIN INCOME QUINTILE AND TOP 5 PERCENT, *available at* <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc.html>. The U.S. Census Bureau estimates the lower bounds of income on each quintile are (in 2016 dollars): first: \$1; second: \$24,002; third: \$45,600; fourth: \$74,875; fifth: \$121,018. These income limits differ slightly from those in the quintiles used in ITEP's distributional analysis. The lower bounds of ITEP's quintiles are (in 2018): first, \$0; second, \$23,400; third, \$40,750; fourth, \$65,150; fifth, \$109,000. See ITEP HOUSE BILL ANALYSIS, *supra* note 1. The lower bounds of ITEP's 2019 quintiles are: first, \$0; second, \$24,090; third, \$41,910; fourth, \$66,850; fifth, \$112,160. See ITEP SENATE BILL ANALYSIS, *supra* note 1. Households include family households (including single mothers) and single householders living alone, following the Current Population Survey's definitions. See *generally* U.S. CENSUS BUREAU, CURRENT POPULATION SURVEY (CPS): SUBJECT DEFINITIONS, <https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html> (last visited Nov. 1, 2017). In contrast, ITEP's distributional analysis uses tax filing units. See ITEP HOUSE BILL ANALYSIS; ITEP SENATE BILL ANALYSIS, *supra* note 1.
- 3 See e.g., ITEP HOUSE BILL ANALYSIS; ITEP SENATE BILL ANALYSIS, *supra* note 1.
- 4 NWLC calculations, *supra* note 2.
- 5 See e.g., ITEP HOUSE BILL ANALYSIS; ITEP SENATE BILL ANALYSIS, *supra* note 1.
- 6 See *generally* STAFF ON JOINT COMM. ON TAX'N, 105TH CONG., DESCRIPTION OF THE CHAIRMAN'S MODIFICATION TO THE CHAIRMAN'S MARK OF THE "TAX CUTS AND JOBS ACT" 10 (Comm. Print 2017), *available at* <https://www.finance.senate.gov/imo/media/doc/JCX-56-17%20%20SFC%20Chairman's%20Modification.pdf> [hereinafter "JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK"].
- 7 See CONG. BUDGET OFFICE, REPEALING THE INDIVIDUAL HEALTH INSURANCE MANDATE: AN UPDATED ESTIMATE 1 (Nov. 2017), *available at* <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53300-individualmandate.pdf>.
- 8 See, e.g., AVIVA ARON-DINE, CTR. ON BUDGET & POL'Y PRIORITIES, SENATE TAX BILL WOULD ADD 1.3 MILLION TO UNINSURED TO PAY FOR TAX CUTS OF NEARLY \$100,000 PER YEAR FOR THE TOP 0.1 PERCENT (Nov. 15, 2017, 11:15 AM), <https://www.cbpp.org/blog/senate-tax-bill-would-add-13-million-to-uninsured-to-pay-for-tax-cuts-of-nearly-100000-per-year>.
- 9 See TAX CUTS AND JOBS ACT, H.R. 1, 115th Cong. § 1202(e) (as reported by H.R. Ways and Means Comm., Nov. 9, 2017), *available at* <https://www.congress.gov/bills/115/congress/house-bill/1/text#toc-H7327218069A1428889051993CC93B675>; JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK *supra* note 6, at 36; see also JANEL GEORGE, NAT'L WOMEN'S LAW CTR., ANOTHER ATTACK ON THE RIGHT TO ABORTION — IN A TAX BILL? (Nov. 5, 2017), <https://nwlc.org/blog/another-attack-on-the-right-to-abortion-in-a-tax-bill/>.
- 10 See TAX POL'Y CTR., DISTRIBUTIONAL ANALYSIS OF THE "TAX CUTS AND JOBS ACT" AS PASSED BY THE HOUSE WAYS AND MEANS COMMITTEE, Table 4 (Nov. 13, 2017), *available at* http://www.taxpolicycenter.org/sites/default/files/publication/148171/2001592-distributional-analysis-of-the-tax-cuts-and-jobs-act-as-passed-by-the-house-ways-and-means-committee_0.pdf.
- 11 See *generally* STAFF ON JOINT COMM. ON TAX'N, 105TH CONG., DISTRIBUTION EFFECTS OF THE CHAIRMAN'S MODIFICATION TO THE CHAIRMAN'S MARK OF THE "TAX CUTS AND JOBS ACT," SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON NOVEMBER 16, 2017 (Comm. Print 2017), *available at* <https://www.jct.gov/publications.html?func=startdown&id=5040>.
- 12 See e.g., JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 3 (amending the Tax Cuts and Jobs Act to make the provisions related to tax reform for individuals expire after 2025, except the slower method for measuring inflation would not expire).
- 13 See e.g., H.R. 1, *supra* note 9, at § 1001; STAFF OF JOINT COMM. ON TAX'N, 105th Cong., DESCRIPTION OF THE CHAIRMAN'S MARK OF THE "TAX CUTS AND JOBS ACT" 10 (Comm. Print 2017), *available at* <https://www.jct.gov/publications.html?func=startdown&id=5032> [hereinafter "JCT DESCRIPTION, SENATE CHAIRMAN'S MARK"]; see also DAVID KAMIN, HOW A TAX CUT TURNS INTO A TAX INCREASE (Nov. 2, 2017), *available at* <https://medium.com/whatever-source-derived/how-a-tax-cut-turns-into-a-tax-increase-960c32d1ba82>.
- 14 H.R. 1, *supra* note 9, at § 1101; JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 5.
- 15 H.R. 1, *supra* note 9, at § 1101; JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 5.
- 16 NAT'L WOMEN'S LAW CTR., WOMEN IN LOW-WAGE JOBS MAY NOT BE WHO YOU EXPECT (Aug. 2017), *available at* <https://nwlc.org/wp-content/uploads/2017/07/Women-Minimum-Wage-7.24.17.pdf>.
- 17 JASMINE TUCKER AND KAYLA PATRICK, NAT'L WOMEN'S LAW CTR., WOMEN IN LOW-WAGE JOBS MAY NOT BE WHO YOU EXPECT (Aug. 2017), *available at* <https://nwlc.org/wp-content/uploads/2017/08/Women-in-Low-Wage-Jobs-May-Not-Be-Who-You-Expect.pdf>.
- 18 H.R. 1, *supra* note 9, at § 1101; JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 5.



- 19 CHUCK MARR, CTR. ON BUDGET & POL'Y PRIORITIES, NEW SENATE CHILD CREDIT PROPOSAL STILL DOESN'T PRIORITIZE FAMILIES THAT MOST NEED IT, (Nov. 15, 2017, 3:45 PM), <https://www.cbpp.org/blog/new-senate-child-credit-proposal-still-doesnt-prioritize-families-that-most-need-it>.
- 20 JCT DESCRIPTION, SENATE CHAIRMAN'S MARK, *supra* note 13, at 22; see also H.R. 1, *supra* note 9, at § 1103.
- 21 H.R. 1, *supra* note 9, at § 1101; JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 5.
- 22 JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 3.
- 23 See generally STAFF ON JOINT COMM. ON TAX'N, 105TH CONG., DISTRIBUTION EFFECTS OF THE CHAIRMAN'S MARK OF THE "TAX CUTS AND JOBS ACT," SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON NOVEMBER 13, 2017 (Comm. Print 2017), available at <https://www.ict.gov/publications.html?func=startdown&id=5035>.
- 24 See ITEP SENATE BILL ANALYSIS, *supra* note 1.
- 25 JCT DESCRIPTION, SENATE CHAIRMAN'S MODIFIED MARK, *supra* note 6, at 41-42.
- 26 ABBY McCLOSKEY, TAX REFORM IS NO PLACE FOR PAID LEAVE, NAT'L REV. (Sept. 21, 2017), available at <http://www.nationalreview.com/article/451556/paid-leave-tax-reform-best-handle-them-separately>.
- 27 *Id.*
- 28 S. BUDGET COMM. MINORITY STAFF, REPUBLICAN BUDGET PRIORITIES: TAX BREAKS FOR BILLIONAIRES, CUTS TO MEDICARE AND MEDICAID 3 (2017), available at <https://www.sanders.senate.gov/download/2018-budget-analysis?id=E969EE46-ED8B-4742-B8C9-7F91704FAEBE&download=1&inline=file>.
- 29 NWLC calculations based on U.S. CENSUS BUREAU, CURRENT POPULATION SURVEY, 2016 ANNUAL SOCIAL AND ECONOMIC SUPPLEMENT TABLE CREATOR, <http://www.census.gov/cps/data/cpstablecreator.html> [hereinafter CPS 2016 Table Creator] (last visited Feb. 28, 2017).
- 30 KAISER FAMILY FOUND., MEDICAID'S ROLE FOR WOMEN ACROSS THE LIFESPAN: CURRENT ISSUES AND THE IMPACT OF THE AFFORDABLE CARE ACT 1 (Dec. 2012), available at <http://kff.org/health-reform/issue-brief/health-reform-implications-for-womens-access-to/>.
- 31 *Id.*
- 32 U.S. DEP'T OF AGRIC., SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, MONTHLY DATA-NATIONAL LEVEL, <https://www.fns.usda.gov/sites/default/files/pd/34SNAPmonthly.pdf> (last visited Mar. 1, 2017).
- 33 KELSEY FARSON GRAY ET AL., MATHEMATICA POL'Y RES., CHARACTERISTICS OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM HOUSEHOLDS: FISCAL YEAR 2015 21 (Dec. 2016), available at <https://www.fns.usda.gov/sites/default/files/ops/Characteristics2015.pdf>.
- 34 U.S. DEP'T OF HEALTH AND HUMAN SERVS., ADMIN. FOR CHILDREN AND FAMILIES, OFFICE OF CHILD CARE, FY 2015 CCDF DATA TABLES (PRELIMINARY) (Nov. 1, 2016), <https://www.acf.hhs.gov/occ/resource/fy-2015-preliminary-data-table-1> (FY 2015 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served).
- 35 U.S. DEP'T OF HEALTH AND HUMAN SERVS., OFFICE OF HUMAN SERVS. POL'Y, ESTIMATES OF CHILD CARE ELIGIBILITY AND RECEIPT FOR FISCAL YEAR 2012 1 (Nov. 2015), available at <https://aspe.hhs.gov/sites/default/files/pdf/153591/ChildEligibility.pdf>.
- 36 U.S. DEP'T OF ED., NAT'L CTR. FOR ED. STAT. (NCES), 2011-12 NATIONAL POSTSECONDARY STUDENT AID STUDY (NPSAS:12). Computation by NCES QuickStats on March 1, 2017, available at <http://nces.ed.gov/datalab/quickstats/default.aspx>.

