

Congressional Republicans reach deal to pass tax cuts before Christmas

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14 December 2017

President Donald Trump announced at a White House event Wednesday afternoon that a deal had been reached between Republicans in the Senate and the House of Representatives on a \$1.5 trillion tax cut bill by next week. The bill will transfer hundreds of billions of dollars into the pockets of the rich and large corporations.

Trump promised that he would sign the bill by Christmas and that some provisions contained in it will go into effect as soon as February. Republican leaders, including House Speaker Paul Ryan, have already made clear that they will use the resulting deficits to justify far-reaching attacks on social programs, including Medicare and Social Security.

The deal comes after less than two weeks of backroom negotiations between leading Republican members of the House and Senate to reconcile differences between the bills passed in the two chambers of Congress.

Trump's announcement also comes a day after Democrat Doug Jones beat Republican Roy Moore in the special election called to fill the Alabama Senate seat vacated by Attorney General Jeff Sessions. Republicans will be left with a razor-thin one-vote majority in the Senate when Jones takes his seat in January.

At a press conference Wednesday morning, Democratic Senate Minority leader Chuck Schumer and House Minority leader Nancy Pelosi responded to the announced deal by putting forward the entirely impotent demand that the Republicans "hit pause" on a vote until Jones takes his seat. There is no rule in the Senate that mandates any such action by the Republicans.

While Democratic Senators postured as opponents, their pro forma response makes clear that they will do

nothing to stop the tax cuts from going through. Much of the bill, particularly slashing the corporate tax rate, was a goal of Democrats under Obama.

The reported "agreement in principle," details of which were leaked to the *New York Times* by a senior Republican congressional aide, is a boondoggle for the financial and corporate elite. It includes the slashing of the corporate tax rate from 35 percent to 21 percent and the elimination of the alternative minimum tax (AMT) for corporations. The cut in the corporate tax rate will go into effect next year, rather than in 2019 as outlined in the Senate bill.

The alternative minimum tax, which was adopted in the 1970s to prevent the wealthy from avoiding taxes through itemized deductions and other loopholes, will be retained for individuals but will apply to a smaller pool of the rich.

The top individual income tax rate will be slashed from a current rate of 39.6 percent to 37 percent, though in a shift from both the House and Senate bills it will apply to an as yet unspecified income level below \$1 million.

In another "compromise," the conference bill will still place a \$10,000 cap on the deduction of state and local taxes, but it will allow for the deduction to be split between property taxes and either income taxes or sales tax paid. The House and Senate bills had eliminated the deduction for state and local income taxes.

As part of the Republican's crude effort to hoodwink the American people about the true character of the bill, during his speech Wednesday Trump trotted out a handful of middle-class families who will see their tax bills reduced by a few hundred dollars.

That the real beneficiaries will be the country's billionaires and multi-millionaires, including Trump and his children, is abundantly clear to most

Americans, who oppose the tax cuts.

A Quinnipiac poll carried out last week found significant opposition among every demographic to the tax cuts except for those who identified as Republicans.

A majority of Americans, 53 percent, disapprove of the Republican tax plan. Nearly two-thirds (64 percent) think that the tax plan will benefit the wealthy the most, while a similar share of the population (61 percent) believe that the tax cuts favor the rich at the expense of the middle class. An overwhelming 73 percent of the population expect that the Republican plan will either raise their taxes or will not have much impact.



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