

# CBO report: Trump's Robin Hood-in-reverse law takes from the poor and gives to the rich

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An analysis of Donald Trump's tax and spending act issued Monday by the nonpartisan Congressional Budget Office (CBO) confirms that the measure, signed into law last month, transfers trillions of dollars in income from the poor to the wealthy.

In a letter responding to a request from top Democratic lawmakers for an analysis of the "distributive effects" of Trump's "Big Beautiful Bill," the CBO reported that the top 10 percent of income earners will see an average annual increase of \$13,600 over the next decade, representing a 2.7 percent rise in income. The gains will come primarily from the extension and expansion of the 2017 tax cut, enacted during Trump's first term, which overwhelmingly benefits the super-rich. It is estimated that the top 0.1 percent will see an average income increase of 3.9 percent (\$389,000) per year.

The lowest 10 percent of income earners will lose about \$1,200 per year, a decrease of 3.1 percent in their average annual income of \$39,464. Losses are due to cuts in social safety net programs like Medicaid and SNAP (food stamps), and new work requirements that will limit access to these benefits. This loss will impact the ability of low-income households to make rent or car note payments and plunge many into destitution.

Middle-income households can expect a modest annual resource increase between \$800 and \$1,200, according to the CBO.

The tax and spending act provides \$3.8 trillion in tax cuts for the rich and the super-rich. To help offset the cost of this boondoggle for the corporate oligarchy, plus \$170 billion in anti-immigrant enforcement and an additional \$150 billion for the military in 2025, it cuts \$930 billion in Medicaid in the form of stricter work requirement and eligibility rules, and \$285 billion in food stamps. In addition, it rolls back clean energy

incentives and cuts student loan debt relief by \$320 billion.

The massive increase in spending for Trump's pogrom against immigrants includes \$46 billion to complete his border wall and \$45 billion to expand migrant detention facilities—in reality, concentration camps. It also provides for the hiring of 10,000 new Immigration and Customs Enforcement (ICE) agents and 3,000 new Border Patrol officers.

More than 71 million Americans, or one in five, rely on Medicaid, the government health insurance program for low-income and disabled people. The CBO estimates that 10 million will lose their coverage by 2034 as a result of the cuts in the "Big Beautiful Bill."

The 20 percent cut in food stamps will impact a program on which 40 million Americans rely to help pay for food. The CBO estimates that the cut in this program will cause over 2.4 million people to lose food assistance.

The bill adds \$3.3 trillion to the national debt, already at \$37 trillion, and raises the debt limit by \$5 trillion. This means that the ruling class will seek to solve its debt and dollar crisis by moving on to the destruction of what remains of the social safety net from the 1930s and 1960s, including Medicare and Social Security.

This is a class war program against the working class. It is already fueling rising opposition in the population and will provoke a mass movement of the working class. It is in preparation for this eruption of class struggle that Trump is seeking to establish a presidential dictatorship, with the full support of the Republican Party and the complicity of the Democrats, who have not lifted a finger to seriously oppose Trump's policies.

The Republicans dismissed the CBO report as rigged in favor of the Democrats. Representative Jason Smith,

the Republican chair of the House Ways and Means Committee, said, “CBO has a troubled track record of getting its estimates incorrect and, like Democrats, is biased in favor of more federal spending and higher taxes.”

The Democrats carried out various maneuvers to stall passage of the “Big Beautiful Bill” and voted against it, but have never called for mass protests, let alone strikes, to oppose its implementation. Like the Republicans, they are a party of the capitalist ruling class and its military-intelligence apparatus. The Democrats support brutal cuts in social programs to pay for ever-widening military aggression and to help offset US capitalism’s economic crisis. They offer no resistance to Trump’s moves to dictatorship, which they fear far less than the emergence of a movement of the working class against capitalism.

As the *World Socialist Web Site* wrote at the time of the bill’s passage:

It is a naked expression of class rule: a sweeping assault dictated by and for the billionaires who dominate American society. The legislation represents the policy of the corporate-financial elite embodied in the fascistic Trump administration and demonstrates with brutal clarity that the capitalist state—including both big business parties—exists solely to defend and expand the wealth and power of his parasitic class.



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