



Independent Women's Voice[®]

The Tax Reform Debate

in 60 Seconds

What's at Stake:

The Tax Cuts and Jobs Act (TCJA) reduced taxes for American workers and businesses, but the individual tax cuts and provisions will expire in 2025.

Bad Solution:

Repeal the tax cuts or allow the individual tax cuts to expire.

The TCJA:

- Delivered a tax cut to **90 percent** of taxpayers. (IRS tax withholding tables)
- Cut income taxes for individuals across **all income levels**—by more than \$500 for almost half of taxpayers. (Joint Committee on Taxation)
- Saved households **\$1,400** on average and married couples with two children \$2,917 in 2018. (Heritage Foundation)
- Cut taxes for taxpayers in **every state** in 2019. (Institute on Taxation and Economic Policy)
- Increased taxes for only **6 percent** of taxpayers. (Tax Policy Center)
- By 2025, will allow the typical American household to keep **\$26,000 more** in take-home pay, or \$44,697 for a family of four (Heritage Foundation).

Companies passed tax savings from the TCJA on to workers:

- At least **3 million** U.S. workers received wage increases and bonuses.
- New parents in low- and middle-income jobs now have **paid parental leave** at companies including Chipotle, Dollar Tree, Lowes, and CVS.

The tax cuts boosted economic growth to 3.2 percent and are projected to add **1.5 million** cumulative full-time jobs to the economy by 2025.

A Better Path Forward: Make the tax cuts permanent.

Congress should make the TCJA provisions permanent for individuals. This would give taxpayers certainty that their taxes will not suddenly rise in 2026 and empower them to budget and plan for the future.

Extending the tax package would also have a positive long-term impact. It's **projected** to increase long-run GDP by 2.2 percent points, increase wages by nearly 1 percentage point, and add 1.5 million full-time jobs.

Addressing Concerns:

CONCERNS	RESPONSES
Only the wealthy benefitted from the 2017 tax cuts.	<p>False. The <i>New York Times</i> reported and economists agree: the TCJA cut taxes for nearly every taxpayer. It:</p> <ul style="list-style-type: none">■ Simplified tax brackets and lowered tax rates.■ Nearly doubled the standard deduction and preserved most other popular deductions.■ Doubled the child tax credit and created a new \$500 credit for non-child dependents.■ Effectively repealed the costly penalty for lacking health insurance. <p>Unless Congress makes these provisions permanent, middle-class Americans will face tax increases in 2026.</p>
Getting rid of the SALT deduction hurt taxpayers	<p>An unlimited deduction for State and Local Taxes (SALT) creates a perverse incentive for higher state taxes, so the TCJA limited this deduction. This change had the biggest impact on high-income tax filers in high-tax states. Most taxpayers were unaffected; only 6 percent of all taxpayers saw a net tax increase.</p>
Tax refunds were smaller this year because of the tax cuts.	<p>Ultimately, with complete data, tax refunds in 2019 were on par with previous years. But importantly, the size of a tax refund relates to how taxes are withheld throughout the year, not someone's overall tax burden. The TCJA allowed taxpayers to take home more money throughout the year in the form of bigger paychecks, which matter far more than a refund check.</p>