

Tax Reform: This Is What You Need to Know

The liberal mainstream media is attempting to suggest President Donald Trump's proposal for tax reform is lacking specifics.

Keeping in mind that Congress ultimately writes the nation's tax laws, we should be mindful that "specifics" will come from Capitol Hill, not the White House. But, the Trump administration is calling the president's proposal the "biggest individual and business tax cut in American history."

So, what does that mean?

The White House has released this explanation, authored by one of the architects of the plan, National Economic Council Director Gary Cohn:

We have a once-in-a-generation opportunity to do something big. President Trump has made tax reform a priority, and we have a Republican Congress that wants to get it done. This is something that Democrats should support too because it's good for the American people.

The President is going to seize this opportunity by leading the most significant tax reform legislation since 1986—and one of the biggest tax cuts in American history.

The president has focused on three things since his campaign: job creation, economic growth and helping low and middle-income families who have been left behind by this economy. He understands that there are a lot of people in this country that feel like they work hard and still can't get ahead. They are sick of turning their paychecks over to Washington and having no idea how their tax dollars are spent. They are frustrated by a tax code that is so

complicated that they can't even do their own taxes.

That's why tax reform is such a big priority for this president. He cares about making the economy work better for the American people.

We are going to cut taxes for businesses to make them competitive, and we are going to cut taxes for the American people—especially low and middle-income families.

In 1935, we had a one-page tax form consisting of 34 lines and two pages of instructions. Today, the basic 1040 form has 79 lines and 211 pages of instructions. Instead of a single tax form, the IRS now has 199 tax forms on the individual side of the tax code alone. Taxpayers spend nearly 7 billion hours complying with the tax code each year, and nearly 90% of taxpayers need help filing their taxes.

We are going to cut taxes and simplify the tax code by taking the current 7 tax brackets we have today and reducing them to only three brackets: 10 percent, 25 percent and 35 percent.

We are going to double the standard deduction so that a married couple won't pay any taxes on the first \$24,000 of income they earn. So in essence, we are creating a 0 percent tax rate for the first \$24,000 that a couple earns.

The larger standard deduction also leads to simplification because far fewer taxpayers will need to itemize, which means their tax form can go back to that one simple page.

Families in this country will also benefit from tax relief to help them with child and dependent care expenses.

We are going to repeal the Alternative Minimum Tax. The AMT creates significant complications and burdens by requiring taxpayers to do their taxes twice to see which is higher. That makes no sense; we should have one simple tax code.

Job creation and economic growth is the top priority for this administration, and nothing drives economic growth like capital investment. Therefore, we are going to return the top tax rate on capital gains and dividends to 20 percent by repealing the harmful 3.8 percent Obamacare tax. That tax has been a direct hit on investment income and small business owners.

We are going to repeal the death tax. The threat of being hit by the death tax leads small business owners and farmers in this country to waste countless hours and resources on complicated estate planning to make sure their children aren't hit with a huge tax when they die. No one wants their children to have to sell the family business to pay an unfair tax.

We are going to eliminate most of the tax breaks that mainly benefit high-income individuals. Home ownership, charitable giving and retirement savings will be protected—but other tax benefits will be eliminated.

This is not going to be easy. Doing big things never is. But one thing is for certain: I would not bet against this president. He will get this done for the American people.
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