



## **A YEAR AFTER THE GOP TAX LAW, SMALL BUSINESSES SEE LITTLE TO CELEBRATE**

In 2017, under the guise of cutting taxes on the middle class and small businesses, President Trump and the Republicans rushed through a tax bill that was ultimately a huge giveaway to corporate America and the wealthy. Now, after a full year of implementation and Tax Day upon us, we are seeing how much the middle class and America's small firms have been shortchanged. Based on the data below, it's no surprise that nearly 50 [percent](#) of small businesses said that the new tax law had no impact on the growth or profitability of their business.

- The Joint Committee on Taxation found that almost half of the benefit of the pass-through deduction, meant to benefit small firms, flows to businesses making \$1 million and more.
- In addition to the 50 percent of small firms that said the tax law had no impact on their business, nearly [one-quarter](#) said it had a negative impact.
- Corporate America spent a record [\\$806 billion](#) in stock buybacks despite the Administration's claims that slashing the corporate tax would result in increased investment and higher wages.
- What was touted as clearer, more simplified tax changes, created a web of new complex tax revisions that hampered small companies.
- In fact, one year in, the tax law has left small entities and entrepreneurs perplexed and having to navigate a new tax system laden with errors and ill-defined guidance.

**“The rich will not be gaining at all in this plan”**  
**—President Trump**

As we wrap up tax season, we now know that those words are simply not true. Small businesses and American families are starting to see that Corporate America and the wealthiest among us were the true beneficiaries. The tax bill has fallen short and we need to do better for Main Street.

	Tax Returns (Millions)	Billions (\$)	Share
Less than \$10,000	*	**	***
\$10,000 to \$20,000	0.5	\$ (0.10)	0.2%
\$20,000 to \$30,000	0.7	\$ (0.20)	0.5%
\$30,000 to \$40,000	0.8	\$ (0.20)	0.5%
\$40,000 to \$50,000	0.9	\$ (0.30)	0.7%
\$50,000 to \$75,000	2.5	\$ (1.00)	2.5%
\$75,000 to \$100,00	2.5	\$ (1.20)	3.0%
\$100,00 to \$200,000	6.2	\$ (6.30)	16%
\$200,000 to \$500,000	3	\$ (9.40)	23%
\$500,000 to \$1,000,000	0.2	\$ (3.60)	9%
\$1,000,000 and over	0.2	\$ (17.80)	44%
<b>Total, All Taxpayers</b>	<b>17.4</b>	<b>\$ (40.20)</b>	<b>100%</b>

Source: Staff calculation based on Joint Committee on Taxation estimates for 2018 tax season.

Note: The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus (1) tax-exempt interest, (2) employer contributions for health plans and life insurance, (3) employer share of FICA tax, (4) worker’s compensation, (5) nontaxable Social Security benefits, (6) insurance value of Medicare Benefits, (7) alternative minimum tax preference items, (8) individual share of business taxes, and (9) excluded income of U.S. citizens living abroad. Categories are measured at 2018 levels.

\*Less than 50,000

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