NEWS TAXES

NYT Fact Check: Actually, the Overwhelming Majority of Americans Got a Tax Cut, Despite Democrats' False Propaganda



It's tax day in America, and if Democrats had gotten their way in 2017, the vast majority of Americans would be paying higher taxes this year. Every single Congressional Democrat voted against the GOP-passed tax reform law that slashed tax burdens for approximately 80 percent of all households --- including an even higher percentage of middle-income families. The Left has deliberately and repeatedly lied about this reality, with minimal and perfunctory fact-checking from the media. As a result, only a fraction of the country realizes that their overall federal tax bill went down, based on recent polling. It's important to set the record straight, and today is a good opportunity to do so. According to the Treasury Department, fully 90 percent of US workers experienced higher take-home pay in 2018 thanks to the new law.

The tax cuts will remain in effect for years to come, but if Congress fails to act down the road, the old rates will snap back into place toward the end of the ten-year budget window. Democrats complained about the lower rates being temporary for families, but permanent for businesses, using a hypothetical future expiration date to launch misleading attacks about the law being a middle class tax increase, with nearly all of the benefits going to the top one percent. As the table above illustrates, that talking point is utterly bogus — and it's even further exposed by House Democrats' near-unanimous vote *against* making the individual rates permanent last year. One of the other ways Democrats have attempted to spin and mislead on the tax law is to conflate tax refunds with tax cuts.

H&R Block data through March 31, 2019 shows the size of its clients' tax refunds is up 1.4 percent under the first year of tax reform and new withholding tables, while overall tax liability is down 24.9 percent on average...Taxes down 25 percent, but refunds roughly flat, so where did the money go? Given the 24.9 percent decrease in tax liability for H&R Block clients, taxpayers want to know where that money went. Survey analysis from H&R Block uncovers an issue: Nearly 80 percent of Americans did not update their W-4 last year, resulting in a bump in their paychecks throughout the year, sometimes more than their taxes decreased. Now, H&R Block data reveals just how much the TCJA impacted taxpayers' paychecks. With tax liability down nearly \$1,200 on average, but refunds up just \$43, an average of \$1,156 went into paychecks during the year, or about \$50 a biweekly paycheck starting in March of 2018. The impact of the withholding changes will be amplified in 2019 because they will be in effect all 12 months of the year.

People's taxes went down significantly, boosting their paychecks throughout the year. Refunds increased, too, but only by a little bit, because most of the tax relief was distributed in smaller increments every two weeks. This mismatch is what some politicians have sought to exploit to deceive people into thinking that the tax reductions didn't help them.

There is a reason why President Trump's job approval on the economy is so much stronger than his overall rating. And part of the reason the US economy has been thriving is directly due to the important pro-growth and pro-competitiveness changes made to the tax code in late 2017. Democrats fought this progress tooth and nail, literally predicting "armageddon." They were wrong. If they'd somehow prevailed, the overwhelming majority of Americans would be paying more in taxes.