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Trump’s Comments on Cutting Medicare Highlight Irresponsibility of GOP Tax Law

Statement by Frank Knapp, Jr., co-chair of Businesses for Responsible Tax Reform and President & CEO of the South Carolina Small Business Chamber of Commerce, on President Trump’s comments about cutting safety-net programs to reduce the federal deficit

Washington, D.C., Jan. 27, 2020—The president’s recent comments that he is considering cutting Medicare and other safety-net programs to reduce the ballooning federal deficit underscores the unmitigated irresponsibility of the 2017 GOP tax law.

The tax law gave away the farm to large corporations—a whopping 40% permanent rate cut—which drove Wall Street to new heights because the tax savings went to stock buybacks instead of wages and expansion. But it also is failing to pay for itself thus adding hundreds of billions to the annual federal budget deficit, which is now one trillion a year.

Small businesses, on the other hand, were ignored in the tax law. The vast majority of small business owners say that the small, temporary tax reduction they received had no impact or a negative impact on their business. Even the $4,000 boost in income the average family was promised in the tax law never materialized and thus didn’t increase consumer demand to help small business.

Wall Street and corporations might have reveled in the 2017 tax law, but small businesses with fewer than 20 employees shed 93,000 jobs in 2019.
Now, because of the rising national debt brought on by the give-away to corporations, President Trump is considering cutting social safety net programs like Medicare, Medicaid and Social Security—something he promised never to do. The result would be higher healthcare costs and less monthly income to tens of millions of Americans who will then spend less with local small businesses.

The real answer to ballooning deficits is not to threaten the lives of seniors and those with low incomes but to repeal the disastrous tax law and use part of the recovered revenues for tax reform that will help small businesses grow and thrive along with their communities.

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About Businesses for Responsible Tax Reform
Businesses for Responsible Tax Reform is a coalition of business leaders calling for tax reform that truly benefits America’s small business owners. We are dedicated to ensuring tax reform is fiscally responsible, creates a level playing field for all businesses, grows the economy and works for our nation’s 30 million small business owners. Learn more about us on our website and follow us on Twitter and Facebook.