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West Virginia Families Will Be Harmed by Proposed Senate Budget Senators Capito & Manchin Should Vote NO

Health Care for Nearly 1 Million West Virginians is Jeopardized to Provide Tax Cut for the Wealthiest

WASHINGTON – On Thursday this week, the U.S. Senate is expected to vote on whether to approve a Budget Resolution that will set the framework for how much federal spending and taxes will be cut. The proposal would allow for a \$1.5 trillion tax cut mostly benefitting the wealthy and corporations, which is not paid for by closing loopholes, meaning the costs will be added to the deficit.

“The Republican’s proposed budget will be very harmful to West Virginia’s families if it becomes law. It slashes funding for vital services and programs such as Medicaid, Medicare and education in order to provide huge tax cuts to the wealthy and corporations while raising taxes many working families who are already struggling to make ends meet,” said Gary Zuckett, Executive Director of WV Citizen Action Group. **“Senators Capito and Manchin have a responsibility to stop this immoral scheme, which will disproportionately affect the most vulnerable among us.”**

The ballooning of the deficit will jeopardize funding for Social Security, Medicare, Medicaid, education, and other services that America’s families rely on. Meanwhile, many middle-class families will see their taxes INCREASE under the plan.

This threat to the basic living standards of America’s working families is not abstract. The Senate budget proposes \$5.8 trillion in cuts to federal spending, including nearly \$500 billion from Medicare and \$1.3 trillion from Medicaid and other healthcare programs. Another \$650 billion may be cut from income security programs, such as Supplemental Nutrition Assistance Program (SNAP, or food stamps), Supplemental Security Income (SSI) for disabled individuals, and tax credits for struggling working families.

West Virginia’s working families and seniors will be particularly harmed, and Senators Capito and Manchin should vote NO to protect their constituents.

See data and links below for the effects of this ‘Reverse Robinhood’ - tax & cuts for the poor to give to the rich - plan on West Virginia’s families.

END

EFFECTS OF TRUMP-GOP TAX PLAN ON WEST VIRGINIA FAMILIES

WEST VIRGINIA SERVICES & PROGRAMS AT RISK DUE TO TAX CUTS

To pay for massive tax cuts to the wealthy and corporations, President Trump and GOP leaders have proposed deep cuts to services that working families rely on. The **Senate budget resolution** would cut over 10 years:

- \$1.3 trillion from Medicaid and other health care programs
- \$470 billion from Medicare
- \$650 billion from income security programs, which may include cuts to the Supplemental Nutrition Assistance Program (SNAP, or food stamps), Supplemental Security Income (SSI) for disabled individuals, and tax credits for working families.
- Also at risk are Pell Grants and other financial aid to help students afford college.
[Source: [CBPP](#)]

In West Virginia:

- 35% of the state's **general revenues** come from the federal government. [Source: [Governing the States and Localities](#)]
- Around 557,600 people are covered through **Medicaid** and the Children's Health Insurance Program (CHIP) [Source: [Kaiser Family Foundation \(KFF\)](#)]
Medicaid serves:
 - 112,000 people with disabilities [Source: [KFF](#)]
 - 219,200 children [Source: [KFF](#)]
 - 45,300 seniors [Source: [KFF](#)]
 - 15,000 veterans [Source: [Families USA](#)]
- 428,100 people are enrolled in **Medicare**, including original Medicare and Medicare Advantage plans [Source: [Centers for Medicare and Medicaid Services](#)]
- 341,500 people rely on **SNAP food benefits** [Source: [U.S. Department of Agriculture](#) (Fiscal Year 2017 monthly average)]
- 57,400 college students benefit from **Pell Grants** [Source: [U.S. Department of Education](#), Table 21]

TAX CUTS FOR THE RICHEST 1% IN WEST VIRGINIA FROM THE TRUMP-GOP TAX PLAN

- The richest 1% will get 39% of the total tax cut in 2018.
- Their tax cut will be \$27,800 in 2018, on average.
- There are 9,000 West Virginia taxpayers in the richest 1%.
[Sources: [Institute on Taxation and Economic Policy \(ITEP\)](#) and [ITEP taxpayers in top 1%](#)]

TAX INCREASES ON THE MIDDLE CLASS IN WEST VIRGINIA FROM THE TRUMP-GOP TAX PLAN

- 8% of households would get a \$1,430 tax increase, on average, in 2018.
- 7% of households making \$33,500 to \$52,700 would get an \$880 tax increase, on average.
- 13% of households making \$52,700 to \$86,500 would get a \$960 tax increase, on average.
[Source: [Institute on Taxation and Economic Policy](#)]

EFFECT ON WEST VIRGINIA OF REPEALING THE STATE AND LOCAL TAX DEDUCTION (SALT)

The Trump-GOP tax plan repeals the SALT deduction. Taxpayers can deduct state and local property taxes, and either income or sales taxes, from their federal taxable income. SALT helps taxpayers, many of them middle-class, avoid being double taxed at the federal level.

- Repealing SALT would raise taxes on 14% of West Virginia taxpayers. Their tax increase would be \$1,694 a year, on average. [Source: [Tax Policy Center](#)]
- For state and county level data on the number of households claiming the SALT deduction, the percentage that are middle-income and the average SALT deduction, see this report from the [National Association of Counties](#).
- For congressional district-level data on the percentage of taxpayers claiming the SALT deduction and the average deduction claimed, see this report from the [Government Finance Officers Association](#).

EFFECT ON WEST VIRGINIA OF REPEALING THE FEDERAL ESTATE TAX

The Trump-GOP tax plan eliminates estate and gift taxes, losing \$240 billion over 10 years and boosting the inheritances of the very wealthy. The federal estate tax is paid only by estates worth at least \$5.5 million, just 2 out of 1,000 estates, or only 5,500 estates in all of 2017. [Sources: [Center on Budget and Policy Priorities \(CBPP\)](#) and [Tax Policy Center](#)]

- The number of West Virginia estates that will be subject to the estate tax in 2018 is so small that the IRS does not publish it. [Source: [Center on Budget & Policy Priorities](#)]
- The estate tax will raise \$56 million in West Virginia in 2018—enough to pay for nutrition benefits for 42,712 people. [Source: [Center for American Progress](#)]