

## Trump's tax plan windfall for top 1 percent

By **MORRIS PEARL**

Guest Columnist

Listening to Republican presidential frontrunner Donald Trump's stump speech about taxes, I was intrigued that his official tax plan might break new ground.

I had hoped that candidate Trump shared my view and that of my fellow patriotic millionaires—that our tax system needs a massive overhaul and a fairness adjustment. As he has said on the campaign trail, the wealthiest taxpayers contribute very little to the costs of running the country relative to the good fortune their citizenship has afforded them.

Thanks to the lobbying dollars of narrow corporate interests and wealthy campaign donors, our tax system has been turned into Swiss cheese. Would Mr. Trump truly fix this?

Disappointingly, the true winners of candidate Trump's tax plan are multinational corporations and wealthy taxpayers, including Donald Trump, his offspring and me.

Instead of making the wealthy pay their fair share, Mr. Trump slashes the top tax rate by more than one-third.

Members of the top 1 percent would receive an average \$184,000 tax cut every year. Taxpayers in the bottom 20 percent would get an average annual tax cut of just \$250.

In a gift to wealthy friends and his own family, Trump proposes eliminating the federal estate tax, which applies to estates worth more than \$5.4 million (\$10.8 million for a couple).

This change alone will give at least a \$20 million tax windfall to

families like the Trumps. American families without a \$10.8 million estate will get nothing—except the bill to make up for the lost revenue (about \$269 billion from 2016-2025).

Instituted in 1916, with support from prominent Americans such as President Theodore Roosevelt and Andrew Carnegie, the estate tax was a response to the grotesque inequalities of power and wealth in the Gilded Age of 1890 to 1920. Is returning to that bygone era what Trump means by "Make America Great Again"?

Trump talks tough about hedge fund managers and offshore tax dodgers, but in the end he gives them a pass. In his call to close the carried interest loophole, Trump said hedge fund managers were "getting away with murder." While his plan does ostensibly close the loophole, it simultaneously lowers the top income tax rate. So under Trump's plan, "the hedge fund guys" will keep on killing it.

Trump tells global corporations to come home, but gives a whopping \$400 billion tax break to existing tax dodgers who have parked \$2 trillion offshore. Instead of requiring them to pay the 35 percent (less foreign taxes paid) that they currently owe to the American people, he only asks them for 10 percent.

So instead of demanding they pay the \$600 billion they owe, Trump is only asking these multinational tax dodgers for about \$200 billion and letting them pocket the rest. I would not call that "the art of the deal" for small businesses and domestic corporations that are paying their fair share.

Instead of "Making America

Great Again," a Trump tax plan would further concentrate wealth and power in the hands of a few people, including Trump himself. As former President Carter recently pointed out, our political system is now "an oligarchy with unlimited political bribery."

Moreover, Trump's tax plan is fiscally irresponsible. The conservative Tax Foundation estimates it will cost more than \$10 trillion over ten years, even after assuming magical growth that never materializes from trickle-down tax cuts. Instead of additional tax breaks for the wealthy and big corporations, that \$10 trillion would be better invested in a New Deal for America's middle class.

Giving the ultra-wealthy another tax break is even more unseemly when we consider the deteriorating quality of our public infrastructure, the unmet needs of veterans in our communities, the falling quality of American schools and the stagnant wages of most of our citizens. It is in no one's interest, including those of us who will pay higher taxes, to allow our civic and physical infrastructure to unwind any further.

Trump talks a big game about taking on his wealthy peers and helping middle class and struggling households. His official tax proposal calls for the poor to file a one page tax return to the IRS with the words, "I win" written on the form.

But if Trump's tax plan becomes the law of the land, he and I will both write "But millionaires (and billionaires) win MORE" on our tax returns.

*Morris Pearl is Chair of the Patriotic Millionaires Group and a former Managing Director at BlackRock.*

