

GOP Tax Plan Hurts Middle Class

Written by Wisconsin Senate, Kate Constalie

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<http://newiproggressive.com/images/stories/S5/ryan-trump-tax-scam-s5.jpg>



Congressional Republicans pass tax bill that favors top 1%. Proof is in how the savings of new tax brackets trade off against lost deductions for the middle class taxpayer.

MADISON, WI – Despite overwhelming opposition from working families, seniors, farmers and homeowners, Congressional Republicans passed the Ryan-McConnell Tax Plan. The plan would raise taxes on the middle class and working families while giving tax cuts to the wealthiest.



Senate Democratic Leader Jennifer Shilling (D-La Crosse) released the following statement:

“Whether it’s health care repeal or a tax plan that favors the wealthy, Republicans continue to push dangerous policies that hurt working families. The opportunity to achieve the American Dream is out of reach for far too many families because Republican tax policies favor the wealthy. Our economy works best when everyone gets a fair shot and everyone plays by the same rules. Rather than more Republican tax breaks for the wealthy, Democrats want to restore tax fairness and create a better deal for communities, seniors and working families.”

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Editor's Note; Despite rhetoric by Republicans in Washington, the real impact of the proposed tax plan on the middle class taxpayer (income \$80-200K, especially home owners) has to be viewed in how the savings of new tax brackets trade off against lost deductions. One good example is currently going around on FaceBook and is presented below.

Thank you to Columbia grad student Amanda Rose for sharing her powerful story which illustrates the devastating impact the tax bill have on graduate students and academic research.

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Current tax plan

total income = \$38,352 (take home stipend = \$38,352)

Standard deduction = \$6,350

personal exemption = \$4,050

taxable income = \$38,352
- 6,350
- 4,050
\$27,952

stipend = \$38,352

tax = \$4,192.80

rent = \$1,100 × 12 = \$13,200

usable income = 38,352
- 4,192.80
- 13,200

\$20,959.20

tax bracket = 15%

yearly tax = (\$27,952) × (0.15) = \$4,192.80

Tax Cuts & Jobs Act

total income = \$89,352 (take home stipend = \$38,352)

standard deduction = \$12,000

personal exemption = \$-0.00

taxable income = \$89,352
- 12,000
- 0
\$77,352

stipend = \$38,352

tax = \$19,338

rent = \$1,100 × 12 = \$13,200

usable income = 38,352
- 19,338
- 13,200

\$5,814.00

tax bracket = 25%

yearly tax = (\$77,352) × (0.25) = \$19,338

\$4,192.80 vs. \$19,338.00 = 461% increase

Realities that simply accepting the good benefits being spread on TV, go back to your own tax