

National Review Errs on Tax Cuts

National Review's Ramesh Ponnuru has [a new article](#), "The Tax Cut Doesn't 'Tilt Toward the Middle Class.'" The piece apparently responds to commentary by [Veronique de Rugy](#) and [me](#) about the effects of the GOP tax plan.

Ramesh says:

According to the Joint Committee on Taxation (JCT), households making between \$20,000 and \$30,000 pay 0.7 percent of all federal taxes now and will pay 0.8 percent of them under this law in 2025 ... Households making \$30-40,000 pay 1.3 percent of federal taxes now and will pay 1.4 percent of them in 2025. Households making between \$40,000 and \$75,000 will see their share of federal taxes unchanged at 10.2 percent.

His point is, "the tax cut reduces tax burdens proportionally," rather than giving the biggest cuts to the middle, as I found [here](#) and [here](#).

Alas, Ramesh used the wrong data. The tables published on the JCT website include reduced subsidies from repeal of the ACA individual mandate. Those would be almost entirely spending cuts, not tax increases. ([This JCT score](#) shows that the ACA effect will be \$314 billion over 10 years, of which \$297 billion, or 95 percent, will be spending).

The JCT produces tables without the ACA subsidies, but they are not posted on the JCT site, in a typical example of the agency's nontransparency. Phil Kerpen received them from GOP staffers, and they are attached below.

Anyway, here are Ramesh's points rewritten from the JCT 2025 table that excludes the ACA piece:

Households making between \$20,000 and \$30,000 pay 0.7 percent of all federal taxes now and will pay 0.6 percent in 2025. Households making \$30,000 to 40,000 pay 1.3 percent of federal taxes now and will pay 1.3 percent in 2025. Households making \$40,000 to \$50,000 will see their share of federal taxes fall from 2.2 to 2.1 percent, and households making \$50,000 to \$75,000 will see their share fall from 8.0 to 7.9 percent.

The non-ACA JCT table shows that the percentage tax cuts for the middle groups in 2025 are larger than the cuts for the top groups. So even aside from the (misguided) payroll tax issue raised by Ramesh, the JCT table shows that the GOP bill especially favors the middle class and will make the tax code more progressive (unfortunately).

Here is the JCT [table](#).

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