



## Rural Residents Overlooked in GOP Tax Plan

The road to tax reform will be long and winding with many bumps and turns along the way. But, where you start the journey matters and can reveal a great deal about priorities.

The framework released by the White House and Congressional Republicans delivers major benefits to large corporations and wealthy individuals – at the expense of virtually everyone else. Rural Americans are barely an afterthought.

The GOP plan would provide [80 percent](#) of its benefits to the top 1 percent by 2027, according to the Tax Policy Center. Those making \$730,000 or more would receive a tax cut of about \$130,000 next year – more than twice the median annual household income in the United States. With the wealthiest Americans disproportionately living in [large metro areas](#), the benefits also are concentrated geographically.

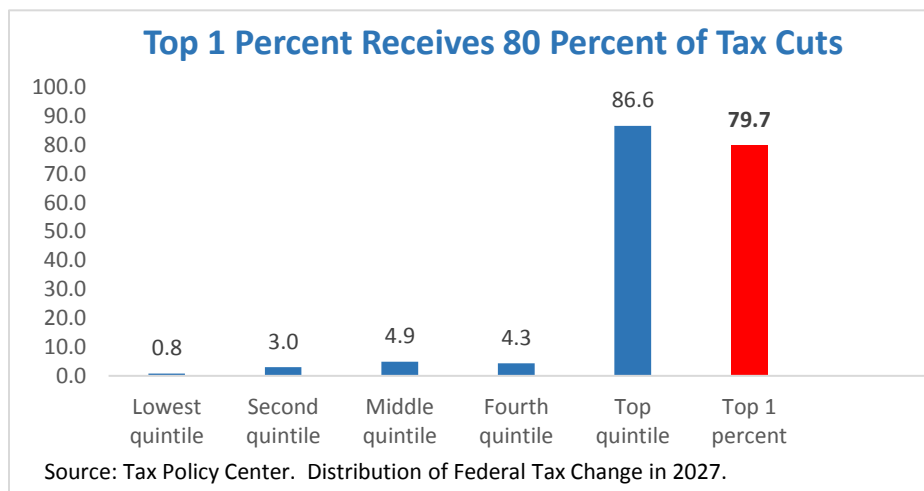
The plan creates a special rate for pass-through income of 25 percent. While this is portrayed as an effort to help small firms, the [majority of pass-through income](#) goes to the top 1 percent and [86 percent](#) of pass-through filers

already pay 25 percent or less. Those who do not – large law firms and hedge funds – don't need a special tax break to help them out. But they would be the primary beneficiaries of this new rate: 79 percent of the benefits would go to [millionaires](#).

The plan repeals the estate tax. Under current law, a married couple can pass along nearly \$11 million tax free to their heirs. Just [80 small businesses and farms](#) – across the country – owe any estate tax in 2017. Repealing it would benefit the heirs of the wealthiest 0.2 percent of estates, costing taxpayers \$240 billion over 10 years.

Even cutting the corporate tax rate delivers [more than half the benefits](#) to the top 1 percent.

Who would pay for all these giveaways? We all would. The GOP plan reduces federal revenue by [\\$2.4 trillion](#) over the next 10 years and another \$3.2 trillion over the second decade. This



leaves fewer dollars for vital investments in schools, roads, children and research that we need to prepare our country to compete.

Rural communities would be especially harmed. With shrinking populations, growing [education gaps](#) compared to urban areas, and health care challenges associated with older populations and long distances to medical care, rural areas can least afford the higher deficits caused by the outlined tax cuts.

Nearly [four in ten](#) rural residents lack access to broadband internet. Connecting rural America while also investing in other badly needed infrastructure upgrades and repairs should be a top priority for Congress.

Rather than facilitating such investments, the Republican plan adds to the budget strains at the state and local levels. By abolishing the state and local tax (SALT) deduction, the GOP blueprint would raise the net costs of non-federal taxes to those who pay them, putting [more pressure](#) on state and local budgets.

Rural communities need targeted actions to address the unique challenges they face. Tax cuts flowing disproportionately to the top 1 percent will do little for rural communities still recovering from the recent recession and in need of federal investment.