



NEW YORK CITY COMPTROLLER
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20 Ways the Proposed GOP Tax Plans Hurt New Yorkers

1. The GOP Tax Plans are first and foremost a tax cut for big corporations and the very wealthy that is paid for through increased taxes on hardworking, low- and moderate-income New Yorkers.
2. Many New York City residents could see higher taxes as a result of the elimination or curtailment of state and local tax deductibility for individuals, which currently benefits 1.3 million city residents.
3. The House plan would result in almost 700,000 New York City residents paying more in taxes. Almost half of those who would pay more are families and individuals with incomes below \$100,000, who would see their taxes rise by an average \$800, primarily as a result of the elimination of state and local tax deductibility.
4. Eliminating or limiting the deduction for local property taxes will lower home values – usually the single biggest source of retirement savings for middle-class households.
5. But while individuals would lose the valuable benefit from deducting state and local taxes, corporations would still be able to do so.
6. Under the House version, the highest income earners in New York (the top 1%) would see average tax cuts of over \$100,000 – far in excess of the average 1 percent cut for families with incomes under \$100,000.

7. The Tax Plans make permanent cuts to corporate tax rates but phase out tax cuts that benefit working people and families. A decade from now, while large corporations will still be paying less, the tax benefits seen by everyday New Yorkers will be gone.
8. The Plans favor some types of businesses over others: individuals with income from real estate and oil businesses would get significantly bigger tax breaks than the doctors, lawyers, architects and other service professionals that are central to New York City's economy.
9. The Tax Plans are an assault on New York City's knowledge economy: they would tax university endowments, tax graduate fellowships, raise the cost of capital for non-profit hospitals, universities, social service and cultural institutions, and eliminate the deduction for student loans – worth \$309 million to 279,000 New Yorkers in 2015.
10. The House Plan threatens affordable housing by eliminating Private Activity Bonds and their associated Low Income Housing Tax Credits, which finance over \$1 billion in affordable housing development in New York City annually.
11. The Senate Tax Plan would repeal Obamacare, resulting in 843,000 New Yorkers becoming uninsured and cutting Medicare by \$1.7 billion across the state.
12. Moreover, under the House Tax Plan, taxpayers with large medical expenses will be prohibited from deducting those expenses. In 2015, 125,000 New York City residents deducted \$1.2 billion in medical expenses from their taxes.
13. The Plans would curtail charitable contributions, since many individuals would no longer deduct these from their income. In 2015, 26 percent of New York City filers took advantage of the deduction, averaging almost \$10,000 in charitable giving per filer. That's over \$10 billion in support to food pantries, domestic violence victims, museums and cultural institutions, and much more.

14. Under the House Tax Plan, when one of the 92,000 New York City public school teachers buys supplies for their classroom, they will no longer be able to deduct that expense.
15. The Tax Plan passed by the House raises costs for state and local governments: it would tax certain earnings of public pension funds, and limit the refinancing of bonds, further raising costs for local taxpayers.
16. The House Plan would trigger federal budget cuts that could result in elimination of over \$190 million per year in promised federal interest subsidies for City bonds issued under the 2009 stimulus act.
17. Under the House plan, starting in 2024, the estate tax will disappear completely. This amounts to a \$150 billion tax break for the Mar-A-Lago set.
18. The Senate Plan provides a tax break for owners of private jets.
19. The House Tax Plan eliminates the Work Opportunity Tax Credit, which encourages businesses to hire, among others, unemployed veterans and people with disabilities.
20. The Tax Plans would explode the federal deficit by \$1.5 trillion over a ten year period.