

## *Making Sense of...* **2017/2018 Tax Reform**

### Overview:

- The Republican Party achieved a long-stated goal at the end of 2017 when it passed a tax reform bill, after months of speculation
- The bill had several major features:
  - It cut the corporate tax rate from 35 to 21 percent
  - It cut individual tax rates for eight years, with rates to increase by 2025 (barring an extension from a future Congress), while corporate tax rates are made permanent
  - Most benefits of the tax cuts will go to top earners, but in the short term, tax cuts will occur across income levels
- Proponents of the bill claim that the bill will result in long-term gains for the entire economy, which will ultimately benefit earners across all income levels
- Critics claim that short term benefits are included for low-income earners to increase buy-in, but that in the long run only wealthy individuals (and corporations) will see lasting benefit

### Required Reading (Source bias rating via [AllSides Bias Rating™](#) when available):

- [CHART: How the Final Version of the Republican Tax Bill Would Affect You](#), NPR (Centrist)
- [Congress Approves Final Tax Reform Bill, Handing Trump Year-End Victory](#), Fox News (Leans right)
- [The GOP Plan is the Biggest Tax Increase in American History, By Far](#), The Intercept (Leans left)
- [Here's How Your Tax Bracket Will Change in 2018](#), Business Insider (Centrist)
- [The New US Tax Law, Explained with Cereal](#), Vox (Leans left)
- [10 Tax Changes You Need to Know for 2018](#), CNBC (Centrist)

### Questions for discussion:

- Based on the data in the articles above, who is affected by these measures, and how are they affected?
- Was tax reform a topic of discussion in your courses in fall 2017 (or since)? Where did you get you hear about the subject (if at all)?
- What are the competing interests at play when it comes to the issue of taxes in the United States? Who has the most powerful voice? Who do we hear from less on this topic?
- Who are the “experts” on the issue of tax reform? How do they become seen as experts?
- Why are financial issues a priority of politicians?
- How do you see financial policy impacting who we elect? How do you see who we elect impacting financial policy?