

Republican Tax Bills Will Hurt Older Adults

Republican leadership in both the Senate and House are pushing forward on tax proposals that allow Congress to give huge tax breaks to the wealthiest Americans and corporations paid for by cutting funding for critical programs needed by everyone else. These plans will explode the deficit and make it harder for older adults to get and keep health insurance—all while benefitting the wealthiest 1% and big corporations.

These Proposals will Cause a \$1.5 Trillion Deficit in the Federal Budget

Once the money from these tax breaks has gone to the wealthiest Americans, Republicans will claim that the deficits they caused require [huge cuts to programs](#) that older adults rely on such as Medicare, Medicaid, SNAP, Supplemental Security Income, and Social Security. We know that Congressional budget plans for FY 2018 already call for over \$1 trillion in Medicaid cuts and nearly \$500 billion in Medicare cuts over the next decade. Some Republicans have admitted "[that they anticipate mandatory spending cuts being a priority for the 2019 budget reconciliation process.](#)" The spiking deficit will simply be the justification for cuts that Republican leadership already seek.

These Proposals will Cause Millions to Lose Health Coverage

The Senate GOP's tax plan would repeal the ACA's health coverage mandate and result in [13 million fewer people having health coverage](#), including 5 million fewer people who will enroll in Medicaid coverage they are eligible for. Repeal of the ACA mandate will result in a spike in premiums for those who need coverage, as [fewer healthy individuals buy insurance](#). Older adults will see the [biggest premium hikes](#) - for example, the average 55 year old would see their premium go up by \$1,110 per year. This will hurt the more than [3.3 million adults over age 55](#) enrolled in 2017 coverage through the Marketplace.

The House GOP's tax bill [eliminates the medical expense tax deduction that provides tax relief to millions of older Americans](#) with high out-of-pocket and long-term care costs and modest incomes. Out-of-pocket health care costs are a [significant financial burden](#) for many older adults, especially those with chronic conditions and those who need long-term services and supports. Elimination of this deduction will leave these individuals with unaffordable costs.

The True Beneficiaries of These Tax Proposals are the Wealthy and Corporations

The Center for Budget and Policy Priority estimates that in 2025 (when most of the provisions of the bill would be in place), [high-income households would get the largest tax cuts](#) as a share of after-tax income, on average. In contrast, households with incomes below \$30,000 would on average face a tax increase. Furthermore, by 2027, most tax changes designed to help individuals would expire under

the Senate plan, but corporations would keep their tax cuts. As a result, by 2027, [every income group below \\$75,000 would face tax increases](#), on average.

The tax plans in both the House and the Senate would be a disaster for older adults. The two-step process is underway—cut taxes now and use the resulting deficit as an excuse to cut critical programs later. This cynical and sneaky ploy to destroy programs that older adults and their families rely on endangers the lives of older Americans. Instead of cutting taxes for the wealthy, Congress should invest in and improve the programs that make people’s lives better.