

H A R L A N   R I C H A R D S

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Trump's Tax Insanity

President Trump's tax plan is a giveaway to the wealthy. It is short on details because the more we hear about it, the worse it sounds for our country and 99% of the population.

For one thing, the numbers do not add up. You can't cut trillions of dollars in taxes without increasing the deficit. We need to go in the opposite direction. We need a balanced budget, not higher deficits.

The majority of the tax cuts will go to the wealthy. The income inequality in the U.S. is already the worst it has ever been. Most of the wealth is already concentrated in the hands of the richest 1%. Trump's tax plan will only make it worse.

Finally, every time taxes were cut to stimulate the economy and create jobs (think Reagan and Bush II), it failed. Nobody but the rich benefited. It merely made them wealthier. That's because taxes are only levied against profits. In other words, a business earns money, pays salaries and other costs of doing business and then has money left over. The leftover money is what gets taxed. If a corporation operated with zero profits, it would do just fine. Wages would be paid, raw materials purchased, and capital expenditures made. It would owe no taxes whatsoever because business expenses would equal earnings.

It is only after costs are covered that extra money is accumulated. That is what gets taxed. Cutting the tax rate on that extra money benefits no one but the owner of that business. It does not contribute to the economy unless the owner decides to invest in something else or buy something.

Tell me, how does cutting taxes for the rich person benefit our economy? It does not create jobs, does not create consumer demand. It takes money out of the economy, leaving less money to go around for everybody else. Cutting taxes for poor people benefits everybody. Poor people spend the extra money they get which increases demand and causes more production and earns the owner greater profits while increasing employment.

So how do you fix our economy? Cut taxes for the poor, increase taxes for the rich and balance the budget.