



NEWS RELEASE

10/4/17

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More than half of GOP plan's tax cuts in Alabama would go to top 1 percent

Huge tax cuts for rich would increase risk of cuts to Medicaid, education funding, Forrister says

Alabamians with incomes of more than \$1 million would get an average tax cut of nearly \$116,000 a year under the tax framework unveiled by congressional Republicans and the White House, according to [a study released Wednesday by the Institute on Taxation and Economic Policy \(ITTEP\)](#), a nonprofit research organization based in Washington, D.C. One in seven Alabamians would pay higher taxes under the plan, which also likely would lead to cuts to Medicaid and other vital services.

Key state-level findings from the ITTEP report include:

- The top 1 percent of Alabama earners – those who make \$501,800 or more – would receive 56.2 percent of the tax cuts going to the state.
- Nearly half (49.2 percent) of the overall tax cuts that Alabama residents would get under the plan would flow to people with incomes of more than \$1 million a year. They would receive an average annual tax cut of \$115,900.
- Just 12.5 percent of the state's total tax cuts would go to the three in five Alabamians with incomes of less than \$57,900 a year. They would see an average tax cut of \$190 a year.
- One in seven Alabamians (14.5 percent) would pay higher taxes under the plan.

U.S. Senate Republicans are considering a proposal to allow the tax cuts to add as much as \$1.5 trillion to the federal deficit. That move would lay the groundwork for harmful cuts to services that help Alabamians get ahead, Arise Citizens' Policy Project executive director Kimble Forrister said.

“These tax cuts would be a windfall for the wealthy at the expense of everyone else,” Forrister said. “This plan likely would force massive cuts to future federal funding for Medicaid, education, housing, transportation and other vital services that help everyday families make ends meet. Congress should reject these reckless tax cuts for the rich and focus on investing in education, health care and other services that help all Alabamians and all Americans get ahead.”

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[Arise Citizens' Policy Project](#) is a nonprofit, nonpartisan coalition of congregations, organizations and individuals promoting public policies to improve the lives of low-income Alabamians.