Tammy Baldwin opposed tax cuts for working families in Wisconsin but voted to give a massive tax break to millionaires in California and New York that would overwhelmingly benefit the wealthy, not the middle-class.

Tammy Baldwin has opposed tax cuts for working families in Wisconsin.

- In December 2017, Baldwin voted against H.R. 1, the Tax Cuts and Jobs Act. (H.R. 1, Roll Call Vote #323, Passed 51-48, Baldwin Voted Nay, 12/20/17)
  - The Tax Cuts and Jobs Act cut individual and corporate tax rates. “The bill would revise the federal income tax system by lowering the corporate tax rate from 35 percent to 21 percent; lowering individual tax rates through 2025; limiting state and local deductions to $10,000 through 2025; decreasing the limit on deductible mortgage debt through 2025; and creating a new system of taxing U.S. corporations with foreign subsidiaries. Specifically, it would repeal personal exemptions and would roughly double the standard deduction through 2025. It would raise the child tax credit to $2,000 through 2025, would repeal the alternative minimum tax for corporations and provide for broader exemptions to the tax for individuals through 2025. It would double individual exemptions to the estate tax and gift tax through 2025, and would establish a new top tax rate for "pass-through" business income through 2025.” (H.R. 1, Roll Call Vote #323, CQ Summary, Accessed 11/20/23)
  - A study found that the tax cuts delivered $750 in wage gains per worker per year on average over the long run. “The corporate tax cuts that President Donald J. Trump signed into law in 2017 have boosted investment in the U.S. economy and delivered a modest pay bump for workers, according to the most rigorous and detailed study yet of the law’s effects.... The researchers found the cuts delivered wage gains that were ‘an order of magnitude below’ what Trump officials predicted: about $750 per worker per year on average over the long run, compared to promises of $4,000 to $9,000 per worker.” (Jim Tankersley, “Trump’s Tax Cut Fueled Investment but Did Not Pay for Itself, Study Finds,” New York Times, 3/4/24)
An analysis of IRS data showed that the tax cuts reduced average effective income tax rates for filers in every one of the IRS's income brackets between 2017 and 2018, with the largest benefits going to lower- and middle-income households. “According to data from the U.S. Internal Revenue Service comparing outcomes from 2017 to 2018—the first year the tax reform law went into effect—the Tax Cuts and Jobs Act reduced average effective income tax rates for filers in every one of the IRS's income brackets, with the largest benefits going to lower- and middle-income households.” (Justin Haskins, “Measuring the Effects of the Republicans' Tax Cuts and Jobs Act on Personal Income Taxes,” The Heartland Institute, 12/1/21)


- The Republican-sponsored $792 billion tax cut would have cut income taxes 10% across the board. “House Republicans want to cut federal programs and spend budget surpluses before they materialize, charged Rep. Tammy Baldwin, D-Wis. That money belongs to the American people, who should be allowed to spend it as they please, countered Rep. F. James Sensenbrenner, R-Wis. The two lawmakers reflect the partisan divisions within the Wisconsin delegation and entire House, which on Thursday narrowly passed a Republican-sponsored tax cut of $ 792 billion over 10 years. The bill, which passed 223-208, uses up most of the projected $ 2.9 trillion surplus by gradually cutting income tax rates 10 percent across the board, reducing capital gains taxes, phasing out the so-called ‘death’ tax on real estate and easing the so-called marriage penalty. Wisconsin’s four Republicans voted for the cuts, while the five Democrats were opposed.” (Elizabeth Hurt, “Tax Debate Rages Among Wisconsin Lawmakers And Rest Of Congress,” States News Service, 7/23/99)

**Tammy Baldwin voted to give a massive tax break to millionaires in California and New York that would overwhelmingly benefit the wealthy, not the middle-class.**

- Baldwin voted against S. Amdt. 3251. (S. Amdt. 3251, Vote Number 326, Failed 48-51, Baldwin Voted Nay, 8/10/21)

  - S. Amdt. 3251 sought to “prevent changes to the State and local tax (SALT) deduction that mainly benefit the wealthy.” “To prevent changes to the State and local tax (SALT) deduction that mainly benefit the wealthy.” (S. Amdt. 3251, Congress.gov, Accessed 3/20/23)

  - The amendment would have blocked changes to the SALT deduction limit at a time when Democrats had made repealing the SALT deduction limit a priority. “Democrats worked to remain in lock step to ward off many of the Republican proposals, including a provision from Senator Charles E. Grassley, Republican of Iowa, that would prevent changes to the cap on how much taxpayers can deduct in
state and local taxes. Democrats from high-tax states, particularly New York, New Jersey and California, have made raising or repealing the cap a priority, and a partial repeal is under discussion to be included in the final legislation.” (Emily Cochrane, “Senate Passes $3.5 Trillion Budget Plan, Advancing Safety Net Expansion,” New York Times, 8/11/21)

- **A repeal of the SALT deduction limit “could amount to a significant tax cut for wealthy Americans in liberal states.”** “Democrats were readying an agreement on Tuesday that would repeal a cap on the amount of state and local taxes that homeowners can deduct as part of a broader $1.85 trillion spending bill, a move that could amount to a significant tax cut for wealthy Americans in liberal states.” (Emily Cochrane and Alan Rappeport, “Democrats Push for Agreement on Tax Deduction That Benefits the Rich,” New York Times, 11/2/21)

- A repeal of the SALT deduction limit would primarily benefit the wealthy in states including California, New York, and New Jersey. “Even in states with the most residents affected, less than a quarter of residents would benefit from repeal of the SALT cap. The other options would benefit a similar or smaller percentage of taxpayers in each state. The states with the highest share of residents benefiting from repeal or from any of these options are California, Connecticut, the District of Columbia, Maryland, New Jersey and New York. But most of those residents would receive a relatively small tax cut, as illustrated in the figures that can be downloaded with the link at the top of this report, and most of the benefits would go to the rich even in these states.” (“Options to Reduce the Revenue Loss from Adjusting the SALT Cap,” Institute on Taxation and Economic Policy, 8/26/21)

- **Under a repeal of the SALT deduction limit, 96% of middle-income households would receive no tax reduction.** “Households making $1 million or more a year would receive half the benefit of repealing the $10,000 federal cap on the state and local tax (SALT) deduction, according to new estimates by the Tax Policy Center. Seventy percent of the benefit would go to those making $500,000 or more. At the same time, 96 percent of middle-income households, those making between about $52,000 and $93,000 annually, would get no tax reduction at all. The 4 percent that would benefit would receive an average tax cut of about $400.” (Howard Gleckman, “SALT Cap Repeal Would Overwhelmingly Benefit High Income Households,” Tax Policy Center, 4/23/21)

Tammy Baldwin supported Build Back Better, which would have raised the $10,000 cap on the SALT deduction and cut taxes for a majority of wealthy families.

- Two-thirds of households making more than $1 million a year would have received tax cuts under a version of Build Back Better because the legislation would have raised the $10,000 cap on the SALT deduction. “However, because Build Back Better would raise the $10,000 cap on the state and local tax (SALT) deduction, it would cut taxes for the majority of very wealthy families as well. According to TPC, two-thirds of households...
making over $1 million per year would receive a tax cut under the Build Back Better Act. More than three-quarters of households earning between $500,000 and $1 million would also receive a tax cut, as would two-thirds of those earning between $200,000 and $500,000.” (“Two-Thirds of Millionaires Get a Tax Cut Under Build Back Better, Due to SALT Relief,” Committee for a Responsible Federal Budget, 11/12/21)

- Tammy Baldwin supported Build Back Better, and even claimed that the budget “makes the wealthiest people and largest corporations pay their fair share of taxes.” “Our Build Back Better Budget makes the wealthiest people and largest corporations pay their fair share of taxes so we can invest in an economy that starts working for working families, seniors and our future.” (Sen. Tammy Baldwin, Twitter, 12/9/21)