

Congress Passes Sweeping Tax Bill



Summary: GOP-controlled Congress has passed a sweeping tax bill.

On Wednesday, the Senate approved a tax bill, 51-48, with Vice President Mike Pence presiding. According to NBC News, the bill will reorganize individual tax code, cut rates for corporations, and give tax breaks for private businesses.

Earlier this week, the House of Representatives passed the bill, and on Wednesday, the Senate voted. The bill then went back to the House after technical problems were fixed, and the House passed it a second time.

Republicans were responsible for the bill's approval, and no Democrats supported the measure, which will head to President Donald Trump soon to be signed.

According to NBC News, "[the bill] is the president's first significant legislative accomplishment and the biggest tax overhaul in a generation."

Trump tweeted on Wednesday that the bill's tax cuts will help the economy and bring jobs. Senate Majority Leader Mitch McConnell said that it will help bring growth.

"After eight straight years of slow growth and underperformance, America is ready to take off," McConnell said.

The bill will lower the corporate tax rate from 35% to 21%. It also lowers individual taxes while doubling the standard deduction and replacing exemptions with a \$2,000 child tax credit. Various deductions were also removed while limiting state and local taxes.

House Speaker Paul Ryan, a Republican from Wisconsin, lauded the bill and said that it would allow Americans to take home more money from their paychecks and allow American companies to thrive. He stated that the typical American family would get almost \$2,059 back next year.

Democrats did not support the bill. House Minority Leader Nancy Pelosi, a Democrat from California, went so far as to call it the "worst bill to ever come to the floor of the House."

The sweeping bill also will change estate tax and health care. It exempts larger inheritances from the estate tax and will abolish the penalty for Americans who do not get health insurance, a stipulation in the Affordable Care Act.

The nonpartisan group, Tax Policy Center, found that 83% of households in the one percent would receive an average tax break in 2018 of \$193,380. In contrast, the middle class could expect about \$930. The group said that the majority of the bill's benefits would benefit the top 10% of earners.

While Republicans are lauding their effort, which Ryan said was decades in the making, surveys show that the tax bill is mostly unpopular with the American public, according to NBC News. A poll from NBC and the Wall Street Journal found that only 24% of respondents supported the bill while 41% opposed it. The majority of pollsters said that it seemed to only help corporations and the rich.

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What do you think of the tax bill? Let us know in the comments below.