

McConnell Office Visit for September 2017

Synopsis for McConnell Talking Points, Sept. 2017

McConnell has co-sponsored legislation repealing the Estate Tax 6 times, the most recent effort this year with Senate Bill 205.¹⁻⁶ He has sponsored or co-sponsored legislation to cut taxes on the wealthiest Americans or make temporary tax cuts on the wealthy permanent over a 7 year span.⁷⁻¹³ He has supported lower capital gains and dividend taxes several times.¹⁴⁻¹⁶ McConnell has also noted that the wealthy have done considerably better than the poor and middle class during the last decade.¹⁷⁻¹⁸ Yet McConnell's solution to this has never been to raise the minimum wage, protect the middle class investors from fraud and abuse or to invest more in critical infrastructure and social support or opportunities, such as universal health care or to lower college costs.¹⁹⁻²¹ His solution has always been to provide the wealthiest Americans greater tax breaks and lower corporate taxes, actions which directly benefit the wealthy and further exacerbate wealth inequality in the US. Actions speak louder than words, so the following questions address his support and voting record as it relates to his constituents'.

Questions:

1. The growth in the GDP will never compensate for a reduction in revenue from tax cuts, because taxes only account for an average of 18.3% of GDP, so a 1% reduction in tax revenue would require a 5.8% increase in GDP to even achieve a balanced outcome. ***Since we cannot grow our way out of this deficit by reducing taxes, what specific government programs do you plan to reduce or eliminate to lower deficit spending?***
2. You've noted that the wealthiest 1% have done significantly better than the poor and middle class in this country during the prior administration.¹⁷⁻¹⁸ Tax cuts for the wealthiest Americans and increases in the GDP exacerbate that disparity because most of the country's wealth is owned by a small percent of the wealthiest Americans. ***Why have you supported further reductions in taxes for those who are already reaping the largest rewards from our society (estate, capital gains and dividend taxes) in place of legislation that would directly benefit low and middle-income taxpayers (increased minimum wage, universal health care, college costs)?***
3. The sequestration of wealth in the US has gotten worse due to tax policies that encourage wealth stagnation.²² You have supported a tax policy (elimination of the Estate tax) that further increases wealth sequestration. ***Do you think sequestration of wealth produces a more or less stable society? What are your plans to address the issue of wealth sequestration?***
4. Taxes for social insurance have risen from 7.5% to 33% of federal revenues, while taxes on corporations have actually declined from 35% to 10% of federal revenues over the last 60 years.²³⁻²⁴ The average corporate tax is about 18.6% on Corporate 500 companies²²⁻²³, with some highly profitable corporations paying little or no tax at all. As businesses use social infrastructure as much or more than individuals, ***why don't you do more to close tax loopholes used by profitable corporations instead of looking for ways to cut corporate tax liabilities?***
5. Over \$2.6 trillion in corporate profits sit in offshore bank accounts are unrepatriated because of tax laws that prevent corporate profits from being taxed unless repatriated to the US.²⁵ ***Why don't you just eliminate recent language in US tax laws that prevents the Federal government from taxing offshore corporate profits, negating any benefit to parking profits outside the US?***
6. The consequences of shifting greater costs (education, health care, housing, child care, etc.) onto low and middle-income taxpayers is that US debt per household is now nearly twice what it is in other Western industrialized nations. Today, people have fewer dollars to spend on commodities due to higher burdens of debt and increased costs fixed costs. ***What will drive consumption and US GDP upward if the disposable income of most US consumers keeps declining because of ever increasing fixed living costs? How do you plan to address that issue?***

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