

# Who benefits from tax cuts? Who pays?

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On February 25, 2025, the U.S. House of Representatives passed a budget resolution calling for \$4.5 trillion in tax cuts through 2034 and called on congressional committees to come up with \$2 trillion in program cuts to offset the cost of these tax cuts, which include the extension of Donald Trump's 2017 tax cut package. In a recent article ([House Republican Budget's \\$4.5 Trillion Tax Cut Doubles Down on Costly Failures of 2017 Tax Law](#)) published by the [Center for Budget and Policy Priorities](#), authors Chuck Marr and Samantha Jacoby explain how this new tax cut proposal only exacerbates the failings of the 2017 Trump tax cuts and further burdens working American families, who are already struggling financially.

As Marr and Jacoby show, the 2017 tax cuts overwhelmingly benefited the wealthiest Americans, with thirty percent of the benefits going to the top one percent (those making more than \$743,000 per year). The next four percent of taxpayers (those with incomes between \$320,855 and \$743,000) received nineteen percent of the benefits. Thus, almost half of the tax cut benefits (49%) went to the top five percent.

Similarly, promises of increased prosperity for all Americans never materialized. While Trump's economic advisors claimed that the corporate tax cut would increase household incomes by \$4,000, a study by economists from the Joint Committee on Taxation and the Federal Reserve Board indicated that the bottom ninety percent of workers (those with incomes below about \$114,000 in 2016) saw no increase in their earnings due to the tax cuts.

However, the most shameful aspect of the House budget resolution is the threat it poses to Medicaid, Medicare, and now even Social Security, programs upon which millions of Americans depend. These programs are the only ones in the federal budget large enough to provide the level of offsets that the administration and Republicans in Congress are seeking in order to pay for tax cuts that overwhelmingly benefit the wealthiest individuals and corporations. On February 28, the Social Security Administration announced that it was [laying off 7,000 workers](#) and reducing the number of its regional offices from ten to four.