



Written by [Alex Newman](#) on October 6, 2017

Trump Tax Plan Draws Praise, Fire From Paul Family

Much of the Trump administration's tax plan has been enthusiastically received by conservatives, taxpayers, and liberty-minded activists, but among some key leaders, there are significant concerns to be addressed before it becomes law. In particular, two prominent members of the Paul family — former Congressman Ron Paul (R-Texas) and his son, Senator Rand Paul (R-Ky.) — have highlighted some elements they view as problematic. The details of the plan are still being ironed out by lawmakers and officials, though, with those concerned leaders expressing hope that the problems can be dealt with prior to passage.



The Trump tax plan, dubbed the “[Unified Framework for Fixing Our Broken Tax Code](#),” is aimed at reducing taxes — both for individual Americans and for businesses. Among other important changes, it seeks to simplify the byzantine tax code by, for example, reducing the seven tax brackets down to three and eliminating a dizzying array of loopholes exploited by special interests. It would also quash some of the most unpopular and controversial taxes. In a move that was celebrated by taxpayers in lower-tax jurisdictions, the [plan eliminates federal deductions for state and local taxes that effectively subsidize bloated high-tax states](#) such as California, Illinois, and New York.

Aside from Democrat leaders, whose ranks have been decimated in recent years by voters fed up with their Big Government extremism, the tax code was widely praised by analysts and activists. Trump, too, was pleased. “This is a tremendous change, and the biggest winners will be the everyday American workers as jobs start pouring into our country, as companies start competing for American labor and as wages start going up to levels you haven’t seen in many years,” explained the president, whose administration reportedly worked with congressional leaders on the plan.

However, some key liberty-oriented lawmakers and constitutionalist leaders expressed concerns. Senator Paul, for example, among the most loyal defenders of the U.S. Constitution on Capitol Hill, made headlines this week following a statement on social media suggesting he had major concerns. “This is a GOP tax plan?” Paul [asked on Twitter](#). “Possibly 30% of middle class gets a tax hike? I hope the final details are better than this.”

In his statement, Senator Paul linked to a preliminary analysis of the tax plan by the Tax Policy Institute, an ostensibly non-partisan outfit with strong links to the globalist establishment. However, after that analysis was released, it was widely ridiculed as “propaganda” or worse by everyone from the *Wall Street Journal*'s editorial board to Trump's liberty-minded White House Budget Director Mick Mulvaney. The analysis also acknowledged that the details of the plan were not yet available.

After his initial statement, Senator Paul outlined his views further. While praising elements of the plan in [a piece](#) published by conservative-leaning Breitbart.com, Paul said that “the middle class was



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seemingly left to bear the burden” of cuts for the highest and lowest earners. “That’s what I’m objecting to in their tax plan — the parts of it that seem to raise taxes on middle-income Americans,” he said, adding that he realizes the plan is not yet final and that he is speaking up now, in hopes of remedying the defects he sees.

“I’m not looking to dictate the details, nor am I set that the plan has to have a definite amount of tax cuts — it just should not be a tax HIKE on anyone,” continued the senator from Kentucky, whose cumulative score on *The New American’s* Freedom Index is 93 percent. “As many people as possible should get a tax CUT, which is why I have already given my ideas to the White House and congressional leaders for their consideration.”

Rand Paul is not the only prominent liberty-oriented senator to express concerns. Senator Mike Lee (R-Utah), who has a 92 on the Freedom Index, praised the effort, but highlighted one problem he sees. “The plan is not specific enough about how it will cut taxes for working families,” Lee wrote in his newsletter. “And if those details aren’t filled in correctly then some working families would see no tax cut at all and others might even suffer a tax hike.” One way to ensure that, he added, is to increase the child tax credit by a large enough margin, something that the White House plan could certainly accomplish.

One of the leading voices in the liberty movement also had praise and some concerns about the Trump plan based on what is known so far. In an [e-mail](#) to supporters of his Campaign For Liberty, a national grassroots group promoting freedom, Ron Paul outlined what he called the good, the bad, and the ugly. Noting that both Democrats opposing the plan and Republicans supporting it have a point, Paul proceeded to break down the specifics.

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Republicans, he said, are right that the outline would ease the burden. “By doubling the standard deduction, increasing the child care exemption, and creating a new credit for non-child dependents, the framework reduces taxes on middle and working class Americans,” Ron Paul explained. “And by reducing taxes on small businesses, reducing the corporate tax rate, and moving to a territorial tax system, the framework should help grow the economy and create jobs.”

On the other hand, however, Paul warned that, because the tax cuts are not tied to corresponding cuts in spending, the Democrats have a point when they claim that the plan could result in increasing taxes on the middle class. “This hole in the budget will either be filled by adding tax increases to the bill, or by the Federal Reserve ramping up the printing presses in order to increase the debt — thus increasing the inflation tax,” Paul said, citing estimates of a deficit increase of more than \$2 trillion.

Throughout his time in Congress, and during his presidential runs, Ron Paul shined the spotlight on the Federal Reserve and what he termed the “inflation tax.” In fact, the former lawmaker from Texas says it is the “worst” of all taxes because it is both hidden and regressive, impacting the poorest most severely. “And the effects of the Federal Reserve’s monetization of debt will cancel out most of the benefits from the tax cuts,” his letter warned.

Still, Paul made clear that he does not oppose Trump’s tax plan. “Anything that puts more money in the hands of the people and less in the hands of government is a gain for liberty,” he said, calling for the tax cuts to be paired with spending cuts to ensure that the gains are not short-lived. He also reiterated the importance of [passing legislation to audit the secrecy-obsessed Federal Reserve](#).

An analysis of the Trump tax plan by Norm Singleton, the president of Campaign for Liberty, examines



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some of the details more closely.

Among the positive elements: an end to the “death tax;” increases in the child tax credit; a doubling of the “standard deduction,” raising the amount of tax-free income for individuals and couples; an end to the controversial “alternative minimum tax” (AMT) that has become a “trap for middle and working class Americans;” preserving the charitable deduction, lowering taxes on small business income to 25 percent; allowing companies to write off investment expenses immediately; slashing corporate tax rates to 20 percent; moving to a territorial tax system that does not punish American firms for selling goods overseas; and more.

However, it is not all good news, as Singleton sees it. Among the “bad” is raising the lowest rate from 10 percent to 12 percent, though few taxpayers, if any, are likely to be affected by it. Also “bad” is the imposition of a “global” tax on multinational companies, he said. Then there is the ugly: leaving open the possibility that an additional higher rate will be added to soak the “rich,” as well as making no effort to offset the tax cuts with spending cuts. According to Singleton, that means the final package will either contain tax hikes or add to the national debt, “thus increasing the inflation tax as the Fed moves to monetize the debt.”

With repealing ObamaCare having failed so far, Republicans in Congress are under intense pressure to deliver on the promises made to voters who got them elected. If the tax cuts are done right — and the tax burden is reduced on all Americans as lawmakers work to rein in the bloated budget — the GOP could claim a major victory that would help it to retain control over Congress, the White House, and beyond for years to come. However, if the plan is sabotaged by RINOs and establishment operatives, the consequences for America and the Republican Party could be disastrous. Taxpaying Americans must make their voices heard.

Photo of Ron (left) and Rand Paul: AP Images

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