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showdown with the Senate, where Republicans are struggling to take a different approach.

Nov. 16, 2017

House **Republicans** approved their sweeping tax-cut package Thursday, setting up a showdown with the **Senate**, where Republicans are struggling to take a different approach.

Shortly before the House vote, **President Trump** arrived on Capitol Hill to bolster Republicans determined to push the tax package through Congress — and accomplish a top GOP priority — despite criticism the benefits would flow mostly to corporations and the wealthy, rather than middle-class Americans.

“I love you. Go vote!” Trump told House Republicans, according to those who attended the private meeting.

Democrats were unified against the plan, and the only GOP defections in the House came mostly from lawmakers in the Northeast and California, who were concerned about the plan's limits on deductions for state and local income taxes important to their districts.

The vote was 227-205, with 13 Republicans opposed.

Three California Republicans — **Darrell Issa** of Vista, Tom McClintock of Elk Grove and **Dana Rohrabacher** of Costa Mesa — were among those who voted against the bill.

“I believe this bill could be made better,” Issa said ahead of the vote.

McClintock stood up this week at a closed meeting of House Republicans urging his

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passage.

A report Thursday by the nonpartisan Joint Committee on Taxation said low-income earners, those making between \$10,000 and \$30,000 a year, would pay more in taxes starting in 2021 under a revised Senate Republican bill.

By 2023, people with incomes less than \$10,000 also would see tax increases.

All other income categories — including those earning more than \$1 million a year — would see tax decreases, according to the [report](#).

But in 2027, taxes would go up overall for every income group under \$75,000 because the Senate Republican bill calls for tax cuts and other changes to the individual code to expire at the end of 2025. The large cut in the corporate tax rate, to 20% from 35%, would be permanent under the Republican bill.

Sen. [Ron Wyden](#) (D-Ore.), called the report “jaw-dropping news.”

But Senate Finance Committee Chairman [Orrin Hatch](#) (R-Utah) noted that the projections for low-income people are based on a provision of the Senate bill that does away with the [Obamacare](#) mandate that all Americans have health insurance.

If low-income earners opt to drop their healthcare coverage as a result, they would also no longer receive the Affordable Care Act's federal subsidies for their premiums. Without those subsidies, which act like tax credits, their taxes would effectively go up.

But Hatch said it was unfair to call that a tax increase. “Anyone who says we're hiking taxes on low-income families is misstating the facts,” he said.

The findings threw the bill's prospects in the Senate further in flux, adding to

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The Senate plan fully repeals a popular write-off — state and local tax deductions — bringing in more than \$1 trillion over the decade. The House bill kept property tax deductions, capped at \$10,000, to win over New York and New Jersey Republicans.

Democrats lambasted the package as essentially gutting essential tax breaks to give corporations and the wealthy tax cuts.

The House bill ends student loan interest deductions and medical expense deductions, and caps the mortgage interest deduction to loans of \$500,000, repealing the write-off for second homes.

House Minority Leader Nancy Pelosi drew on the teachings of historic and religious figures to warn Republicans off legislation that she said benefits the wealthy and “preys on the middle class.”

“It pillages and loots the middle class. It is a shameful piece of legislation,” Pelosi said ahead of the vote. “This is a defining moment.”

In a last-ditch gamble to secure support, Senate Republicans attached the partial Obamacare repeal, eliminating the tax imposed by the Affordable Care Act's mandate that all Americans have insurance.

That change, which would go into effect in 2019, is expected to leave 13 million more Americans uninsured and drive up premium costs by 10%. But it brings in \$318 billion over the decade by cutting federal healthcare subsidies to middle- and low-income Americans who chose not to buy insurance.

“Is this a country that kicks people off of their health coverage to cut taxes for the top 1%?” asked Sen. Dianne Feinstein (D-Calif.).

California Republicans had largely stayed on the sidelines as their New York colleagues struck the deal on property tax deductions. Majority Leader Kevin

McCarthy (R-Bakersfield) had been able to keep the Californians in line, quelling

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But he added, "There is more work ahead to ensure strong tax reform becomes a reality for the American people."

(R-Alpine). "Are we going to gear the entire tax bill for coastal elites?"

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