



## *THE WINNING ARGUMENT: John McCain's Economic Plan*

### **I. John McCain's tax plan is hugely expensive and highly regressive.**

- John McCain wants to double George Bush's tax cuts. He is proposing an additional \$300 billion a year in tax cuts on top of keeping Bush's tax cuts permanent.
- McCain's tax cuts deliver \$175 billion a year to corporations, including:
  - \$45 billion a year for the top 200 corporations in America (the *Fortune 200*) (report forthcoming)
  - \$1.4 billion a year for Wal-Mart (forthcoming)
  - \$1.2 billion a year for ExxonMobil
  - \$4 billion a year for the top 5 oil companies in the U.S.
  - \$2 billion for the top 10 health insurance companies in the U.S.
  - \$3 billion for the top 10 energy and utility companies in the U.S.
- McCain's tax cuts deliver nearly half of their benefits to the top 1 percent of taxpayers, and the bottom 80 percent get less than 20 percent of the benefits. McCain's "80/20 rule" makes his tax cuts even more regressive than Bush's.
- McCain's tax cuts provide virtually no benefit for the 36.5 million Americans living in poverty.
- Paying for McCain's tax cuts would require massive reductions—from 20 to 40 percent—in popular domestic programs such as Head Start, Pell Grants, Title I school funding, and nutrition aid for mothers and children.
- In 2001, a time of relative peace when the U.S. enjoyed huge budget surpluses, John McCain opposed President Bush's tax cuts because he believed they were unfairly tilted to the rich and fiscally irresponsible. Today, in a time of war when the U.S. is running huge deficits, McCain is running for president on a tax plan that is less fair and more fiscally irresponsible than the Bush tax cuts he once opposed.

### **II. John McCain's fiscal plan is highly irresponsible.**

- McCain has accounted for only about ten percent of the money he needs to pay for his tax plan. Experts estimate that McCain has identified a maximum of \$33 billion in savings to pay for his \$300 billion per-year tax cut package. (McCain has admitted that his savings accounting "disagrees with the experts.")



- McCain's claim to save \$60 billion by cutting earmarks was described to the Wall Street Journal as "so intellectually dishonest it's outrageous" by a former Reagan administration tax official. The most credible effort at earmark accounting in recent years, conducted by Taxpayers for Common Sense, totaled earmarks at \$18.3 billion in the FY2008 budget. The Heritage Foundation puts the number at \$9 billion. McCain has not clarified how he arrives at \$60 billion.
- McCain's current fiscal plan would create the largest federal deficits in 25 years, and plunge the U.S. into the deepest debt since World War II. McCain's policies would leave a national debt of \$12.7 trillion by the end of a two-term presidency. Based on the Congressional Budget Office's GDP estimates, this would total 59 percent of the projected GDP in 2017, the highest levels of debt since 1951 when America was still paying off the costs of World War Two.
- McCain's plan would slash government revenues to their lowest levels since before 1962. Government revenues have averaged 18.3 percent of GDP for the past 25 years, but would average only 16.3 percent of GDP for the duration of McCain's two terms. Under current Bush policy, revenues would remain above 18 percent of GDP.