

# **ASSEMBLYMEMBER KEVIN MCCARTY**

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## **Assemblymembers McCarty & Ting Demand Tax Justice for Middle Class Californians**

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(SACRAMENTO, CA) – With the recently approved Republican tax giveaway largely benefiting billionaires, Assemblymember Kevin McCarty (D – Sacramento) and Assemblymember Phil Ting (D – San Francisco) today introduced ACA 22, which will redirect half of the federal corporate tax cut to support middle class families in California.

In December 2017, Congressional Republicans and the president approved one of the largest tax giveaways in American history, primarily benefiting billionaires and large corporations. In spite of record low unemployment and a record setting stock market, Congressional Republicans cut the federal corporate tax rate from 35% to 21% and provided a windfall to billionaires by slashing the tax rate on pass through corporations. This reckless cut in the corporate tax rate will add over a trillion dollars to our national debt and will lead to future cuts in federal safety net programs and cuts to middle class programs like expanding access to healthcare, childcare and making college affordable for American families.

ACA 22 would impose a windfall tax surcharge of half of the federal corporate tax cut, on corporations with revenue over \$1 million and direct revenue from the surcharge to support low income and middle class families in California. Corporations would still benefit from a massive federal tax cut, but would return half of the cut to support critical middle class programs including education, college affordability, child care and preschool, healthcare, taxpayer rebates and expanding California’s successful Earned Income Tax Credit program.

“I’ve seen enough billionaire justice in the first eleven months of this presidency to last my lifetime,” said Assemblymember Kevin McCarty. “At a time when reckless federal tax policy favors billionaires over middle class workers, ACA 22 will help ensure that California can continue to grow and support middle class families throughout the state.”

“Trump’s tax reform plan was nothing more than a middle class tax increase,” said Assemblymember Phil Ting. “It is unconscionable to force working families to pay the price for tax breaks and loopholes benefiting corporations and wealthy individuals. This bill will help blunt the impact of the federal tax plan on everyday Californians by protecting funding for education, affordable healthcare, and other core priorities.”

ACA 22 will be considered by the California State Assembly in the spring of 2018.

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*Kevin McCarty represents California's 7th Assembly District, which include the cities of Sacramento, West Sacramento and unincorporated Sacramento County. McCarty serves as Chair of the Assembly Budget Subcommittee on Education Finance.*