Nevada: Impact of “Tax Cuts and Jobs Act”
on Latinos

In Nevada today, the Hispanic population numbers approximately 800,000, more than one out of every four people in the state.\(^1\) The Nevada Hispanic community’s size, work ethic, and resilience have contributed to the national economic resurgence following the Great Recession.\(^2\) Nevertheless, a considerable portion of Latinos continue to lag behind, struggling to put food on their tables and a roof over their heads. In 2015, about 19% of Latinos in Nevada were living in poverty, compared to 14% of Nevadans overall.\(^3\)

Instead of helping Nevadans working hard and struggling to make ends meet, the “Tax Cuts and Jobs Act” would threaten to push them into or deeper into poverty, through increased taxes and decreased spending on crucial assistance programs. Under the bill:

- By 2027, one out of every two Latino households (more than one million) will see their taxes go up, by an average of $154 per year, due to expiration of increases to standard deduction and from using chained CPI to measure inflation.\(^4\)
  - One out of three households facing a tax increase (150,000) have incomes of less than $50,000 per year.\(^5\)

- More than 15,000 low-income households will receive zero benefit from the non-refundable expanded Child Tax Credit.\(^6\) When combined with the changes to health care, these households will incur a net loss from the “Tax Cuts and Jobs Act.”\(^7\)

- Half of Latino households (more than 430,000 households) will lose an average annual deduction of $5,900 from elimination of state and local tax deductions.\(^8\) Once increases to the standard deduction expire, these households will see a significant increase in their tax liability.
  - Almost 40,000 low- to moderate-income Latino households will lose more than $3,000 in state and local tax deductions.\(^9\)
• By 2027, Latino households with incomes less than $75,000 (more than 400,000 households) will face an average higher annual tax burden of more than $8,000 (either through tax increases or reductions in benefits).\(^\text{10}\)
  o This burden is almost doubled for the lowest income Latino households (incomes less than $20,000).\(^\text{11}\)

The above figures do not include the effects of repealing the individual health care mandate, and therefore underestimate the adverse impact of the “Tax Cuts and Jobs Act” on Latino households. Further, the figures do not include the adverse impact that repeal of the state and local tax deductions will have on the public finances of state and local governments.\(^\text{12}\)

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5 Ibid.


9 Ibid.


11 Ibid.

12 Tax Policy Center, “Briefing Book, State and Local Taxes.”