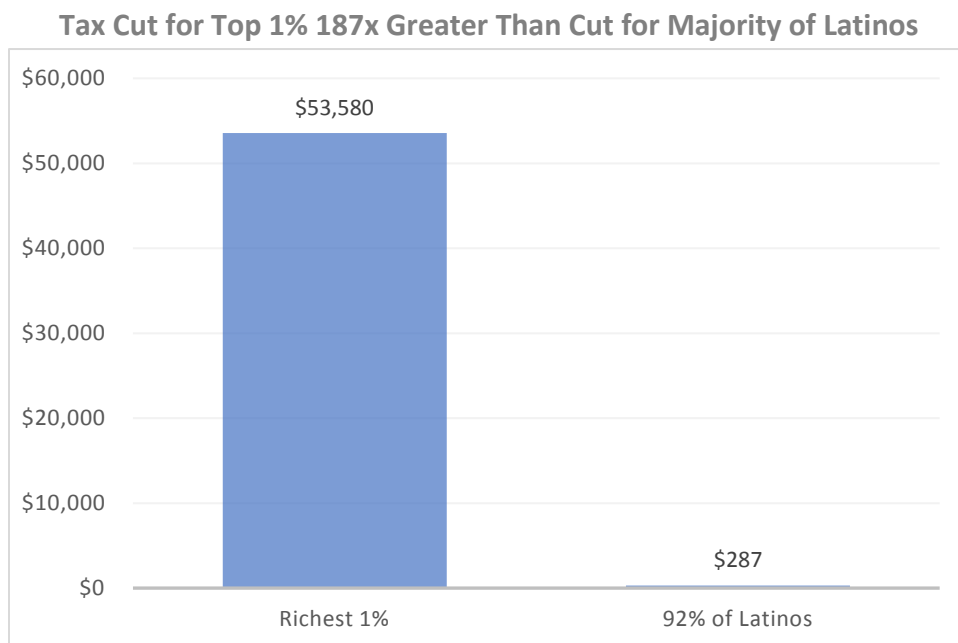


## Tax Cuts and Jobs Act: Pennsylvania

In Pennsylvania today, the Hispanic population numbers approximately one million.<sup>1</sup> The Hispanic community's work ethic and resilience have contributed to the state's economic resurgence following the Great Recession.<sup>2</sup> 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 32% of Latinos in Pennsylvania were living under the supplemental poverty threshold, compared to 13% of Pennsylvanians overall.<sup>3</sup>

Instead of helping Pennsylvanians working hard and struggling to make ends meet, the new tax law, the Tax Cuts and Jobs Act (TCJA), provides a massive tax cut for the richest Americans and largest corporations while providing little help to working Pennsylvanian families. Under the TCJA:

- In 2019, an estimated 92% of Latino taxpayers (roughly 396,000) will get an average tax cut of \$286.67. This is compared to the average tax cut of over \$53,580 for Pennsylvania's richest 1%.<sup>4</sup>



- More than 25,000 low-income Latinos will receive zero benefit from the non-refundable expanded Child Tax Credit.<sup>5</sup>
- One out of four Latinos (over 200,000) will lose an average annual deduction of more than \$6,900 from the reduction of state and local tax deductions.<sup>6</sup>
- By 2027, three out of every four Latinos (more than 600,000) will see their taxes go up, by an average of \$248 per year, due to expiration of the law's individual tax provisions, the repeal of the Affordable Care Act's individual mandate, and from using chained CPI to measure inflation.<sup>7</sup>
  - Seven out of ten Latinos facing a tax increase (more than 460,000) have incomes of less than \$50,000 per year.<sup>8</sup>

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<sup>1</sup> U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2016 American Community Survey 1-Year Estimates," [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_16\\_1YR\\_S0201&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table), Table S0201 (accessed November 2017).

<sup>2</sup> Renato Rocha, "Latinos in Pennsylvania: Protecting and Defending Progress in the Keystone State" (Washington, DC: UnidosUS, 2017), <http://publications.unidosus.org/handle/123456789/1697> (accessed November 2017).

<sup>3</sup> UnidosUS calculation using U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement and Supplemental Poverty Measure public use files, 2016, <https://www.census.gov/programs-surveys/cps.html> (accessed November 2017).

<sup>4</sup> UnidosUS calculations using Institute on Taxation and Economic Policy, "How the Final GOP-Trump Tax Bill Would Affect Arizona Residents' Federal Taxes," (Washington, DC: ITEP, 2017), <https://itep.org/finalgop-trumpbill-az/> and U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2017, <https://www.census.gov/cps/data/cpstablecreator.html> (accessed January 2018).

<sup>5</sup> UnidosUS calculations and J. Scott Moody and Scott Hodge, "The Growing Class of Americans Who Pay No Federal Income Taxes," April 14, 2004, *Tax Foundation*, <https://taxfoundation.org/growing-class-americans-who-pay-no-federal-income-taxes/> (accessed November 2017).

<sup>6</sup> UnidosUS calculations using Internal Revenue Service, "SOI Tax Stats – Historic Table 2," *IRS*, <https://www.irs.gov/statistics/soi-tax-stats-historic-table-2> and Tax Policy Center, "Briefing Book, State and Local Taxes," <http://www.taxpolicycenter.org/briefing-book/how-does-deduction-state-and-local-taxes-work> (accessed January 2018).

<sup>7</sup> UnidosUS calculations using data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2017, <https://www.census.gov/cps/data/cpstablecreator.html>; Joint Committee on Taxation, *Distributional Effects of the Conference Agreement for H.R. 1, The "Tax Cuts and Jobs Act,"* report prepared by the Joint Committee on Taxation, 115th Congress., 1st sess., 2017, <https://www.jct.gov/publications.html?func=startdown&id=5054>; and Chye-Ching, Guillermo Herrera, and Brendan Duke, "JCT Estimates: Final GOP Tax Bill Skewed to Top, Hurts Many Low- and Middle-Income Americans," (Washington, DC: Center on Budget and Policy Priorities, 2017), <https://www.cbpp.org/research/federal-tax/jct-estimates-final-gop-tax-bill-skewed-to-top-hurts-many-low-and-middle-income> (accessed January 2018).

<sup>8</sup> Ibid.