

Senator Rick Scott's Plan to Raise Taxes on Working Families and Slash Essential Programs Would Cost Jobs and Reduce Economic Growth

A [plan](#) from Senator Rick Scott, the chair of the Senate Republicans' campaign committee, proposes a number of policies that would raise taxes and put vital programs in peril. The Scott plan proposes instituting a federal minimum income tax, defunding federal support for state and local programs and sunsetting all federal legislation.

The Scott plan would raise taxes on millions of families, cost jobs and stifle long-term economic growth. As the United States continues to recover from the economic impact of the coronavirus pandemic, imposing a painful austerity budget on working families and seniors would take the economy in the wrong direction.

A federal minimum tax would hurt working families, seniors and active-duty service members and slow long-term economic growth

The Scott plan to raise taxes on working families, seniors and active-duty military would impose financial pain and hardship on many Americans. Recent [analysis](#) by the Tax Policy Center shows that imposing a federal minimum income tax of \$100 for single filers and \$200 for couples filing jointly would be a severe economic burden on many Americans. It would especially burden the millions of families and workers who receive the refundable Child Tax Credit and Earned Income Tax Credit. In addition, millions of seniors on Social Security who are currently exempt from federal income tax and active-duty military receiving tax-exempt combat pay would have to "pay some income tax to have skin in the game" according to Senator Scott.

A new federal minimum income tax would raise taxes on almost 43% of individuals and families and would increase taxes by an average of \$450 for middle-income households. A new federal minimum tax of \$100 for each adult would increase federal income taxes by \$100 billion in 2022, and approximately 97% of the cost would fall on households making under \$100,000. It would create financial pain and hardship by raising taxes on families, workers and seniors who already shoulder a disproportionate share of state, local and payroll tax burdens.

Raising taxes on millions of low-income families through a federal minimum income tax would increase income inequality and bring down long-term economic growth. A federal minimum income tax would drastically increase taxes for those who could least afford it. It would place undue financial burden on workers and families who are already feeling the strain of inflation, which is a result of the global coronavirus pandemic and Russia's invasion of Ukraine.

Defunding state and local governments would take away jobs and hurt local economies across the country

The Scott plan to end federal support to state and local governments would defund jobs for public school teachers, police and firefighters. The federal government provided \$3.9 billion to state and local law enforcement for fiscal year 2022, which funded hiring programs, technology upgrades and efforts to fight opioids. Similarly, the federal government provided almost [\\$43 billion](#) in grants and aid to public K-12 schools nationwide and \$720 million in grant programs for firefighters in fiscal year 2022. Nationally, there are [795,000](#) police officers and detectives, [317,200](#) firefighters and [3.2 million](#) full- and part-time public-school teachers serving local communities. Senator Scott’s proposal to “eliminate all federal programs that can be done locally” would defund federal support for these critical state and local jobs.

Eliminating federal funding for health programs such as CHIP and Medicaid would hurt families and impact health care jobs. Almost [86 million](#) people rely on Medicaid or the Children’s Health Insurance Programs (CHIP) for their health insurance, and the federal government provides more than [half the funding](#) for Medicaid and [87% of the funding](#) for CHIP. Eliminating federal funding would hurt millions of Americans and reduce [health care jobs](#), especially in rural areas that have experienced a wave of [hospital closures](#).

Sunsetting federal programs would imperil Social Security, Medicare and veterans’ benefits, which would create uncertainty for families and cause economic chaos

The Scott proposal to sunset all legislation every five years would create uncertainty for Americans who rely on Social Security, Medicare, Medicaid and veterans’ benefits. Forcing Congress to vote every five years to re-enact every law would put vital programs like Social Security, Medicare and Medicaid in peril, as many Republicans in Congress have voted or expressed their support for cutting or privatizing one or more of these programs. Under current law, programs like Social Security, Medicare and veterans’ benefits provide benefits to all eligible individuals. But under the Scott proposal, continued funding for these programs would not be guaranteed, and millions of recipients would face financial insecurity.

Forcing Congress to reauthorize Social Security, Medicare, Medicaid and veterans’ benefits every five years would create economic chaos for millions of individuals and local economies. In 2020, there were [62 million](#) Medicare beneficiaries, [65 million](#) Social Security beneficiaries and [20 million](#) U.S. veterans eligible for VA benefits. Requiring congressional reauthorization every five years would jeopardize the health and well-being of millions of Americans who rely on these programs. Federal programs like Social Security also provide a consistent source of [income for seniors](#), which is essential to [local economies](#), particularly in states like Florida that have a high number of seniors. Similarly, federal programs like Medicare, Medicaid and Tricare and agencies like the Department of Veterans Affairs support jobs throughout the United States, especially in areas with high numbers of seniors and veterans.

The Scott plan would raise taxes on millions of Americans and put programs like Social Security and Medicare in jeopardy

Raising Taxes and Slashing Essential Programs Would Jeopardize Millions in Every State				
State	Percentage of Residents with Tax Increase in 2022 Under a New Federal Minimum Tax	Number of Medicare Beneficiaries in 2020	Number of Social Security Beneficiaries in 2020	Number of Veterans in 2020
Alabama	44%	1,063,000	1,166,000	363,000
Alaska	31%	104,000	108,000	69,000
Arizona	34%	1,370,000	1,433,000	504,000
Arkansas	45%	647,000	708,000	203,000
California	32%	6,411,000	6,150,000	1,659,000
Colorado	26%	939,000	916,000	392,000
Connecticut	33%	692,000	695,000	167,000
Delaware	34%	216,000	225,000	70,000
District of Columbia	35%	94,000	84,000	29,000
Florida	41%	4,680,000	4,840,000	1,517,000
Georgia	43%	1,773,000	1,903,000	696,000
Hawaii	31%	281,000	283,000	115,000
Idaho	35%	349,000	370,000	124,000
Illinois	33%	2,266,000	2,274,000	606,000
Indiana	35%	1,284,000	1,382,000	411,000
Iowa	32%	637,000	664,000	199,000
Kansas	34%	546,000	569,000	197,000
Kentucky	43%	943,000	1,009,000	289,000
Louisiana	45%	884,000	925,000	288,000
Maine	34%	348,000	355,000	110,000
Maryland	30%	1,058,000	1,032,000	385,000
Massachusetts	31%	1,353,000	1,295,000	315,000
Michigan	38%	2,100,000	2,250,000	568,000
Minnesota	27%	1,046,000	1,070,000	313,000
Mississippi	50%	610,000	681,000	185,000
Missouri	38%	1,248,000	1,323,000	421,000
Montana	35%	238,000	245,000	90,000
Nebraska	34%	354,000	357,000	127,000
Nevada	33%	549,000	566,000	222,000
New Hampshire	26%	308,000	317,000	99,000
New Jersey	29%	1,637,000	1,651,000	340,000
New Mexico	42%	432,000	453,000	151,000
New York	39%	3,673,000	3,680,000	738,000
North Carolina	40%	2,036,000	2,183,000	698,000
North Dakota	30%	134,000	138,000	54,000
Ohio	34%	2,381,000	2,405,000	742,000
Oklahoma	43%	753,000	811,000	295,000
Oregon	32%	886,000	906,000	295,000
Pennsylvania	36%	2,776,000	2,878,000	792,000
Rhode Island	32%	225,000	230,000	62,000
South Carolina	42%	1,106,000	1,197,000	398,000
South Dakota	33%	180,000	186,000	65,000
Tennessee	40%	1,385,000	1,497,000	456,000
Texas	36%	4,286,000	4,422,000	1,574,000
Utah	27%	415,000	430,000	134,000
Vermont	33%	151,000	156,000	42,000
Virginia	35%	1,546,000	1,585,000	722,000
Washington	24%	1,399,000	1,402,000	555,000
West Virginia	46%	443,000	479,000	139,000
Wisconsin	32%	1,201,000	1,276,000	352,000
Wyoming	26%	114,000	118,000	48,000

Sources: Institute on Taxation and Economic Policy, Centers for Medicare & Medicaid Services, Social Security Administration, U.S. Department of Veterans Affairs

Note: Values rounded to nearest thousand.