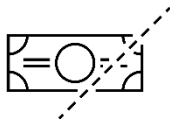


Tax, economy and labor: What will Trump do?

Tax, labor and economic policy halfway through Trump's first 100 days

Will it pass?



Tax reform

- Trump has proposed across-the-board tax cuts for individuals as well as a significant cut in the corporate tax rate
- However, the administration has not supported the border-adjusted tax included in House GOP's tax reform blueprint, complicating the prospects for a revenue-neutral tax reform



Trade agreements

- TPP – Trump withdrew from the TPP with an executive order issued on January 23rd
- TTIP – Trump has also criticized TTIP, though the administration has not put forth its official position on the trade deal with the EU
- NAFTA – Trump has committed to renegotiating the deal with Canada and Mexico. Commerce Secretary Wilbur Ross and National Trade Council advisor Peter Navarro head the administration's renegotiation team



Department rule rollbacks

- **Overtime rule** – With the Department of Labor's overtime rule temporarily blocked by a federal judge, Trump is expected to drop the regulation - either by not defending it in court, issuing a more modest rule or calling for a full withdrawal



Infrastructure

- **Border wall** – Trump will likely push Congress to approve spending for a border wall. Republicans may tie funding for the wall to broader government spending measures and military spending to undercut Democratic opposition

Overview

- Trump's advisors claim that he can achieve his economic goals in a revenue-neutral way
- However, some economists have estimated that Trump's proposed infrastructure spending stimulus combined with tax cuts could increase the national debt by \$6 trillion or more
- Some also believe that Trump's attitude towards trade deals along with his rhetoric about tariffs and currency manipulation could spark a trade war – particularly with Mexico and China

Source: Adam Behsudi and Nancy Cook, "Trump will quit TPP in first days," Politico, November 10, 2016; Tami Luhby, "Yes, President Trump really could kill NAFTA – but it wouldn't be pretty," CNN, November 15, 2016; Jay Yarow and Jeff Cox, "Donald Trump can be very good for the US economy," CNBC, November 9, 2016.