

STARK CONTRAST:

THE DIFFERING IMPACT OF THE 2025 TRUMP-GOP TAX-AND-SPENDING LAW ON RICH HOUSEHOLDS AND ON FOLKS JUST GETTING BY

The 2025 Trump-GOP tax-and-spending law (the Trump law) cut taxes mostly for the wealthy and partially paid for it with cuts to public services families rely on, including the Supplemental Nutritional Assistance Program (SNAP). As a result, the already rich will get richer while the lives of those struggling to get by will only get harder. Following are composite studies of the potential impact of the Trump law on representative individuals, both haves and have-nots*.



JADEN, 19

Jaden was in the foster care system in Texas and looking forward to finally having some independence and stability after years of being moved from home to home. The constant relocations made it difficult for him to stay in one school, and he struggled to catch up academically. Because of this, Jaden doesn't see college as the right path for him. Instead, he hopes to join an apprenticeship or training program—but there are no open slots available for several months.

In the meantime, he's picking up a few gig jobs, earning around \$800 a month. He shares a rental home with other former foster youth (\$400 rent) and relies on SNAP (\$292) to help cover his food needs while he gets on his feet. Under the Trump law, Jaden will lose his SNAP benefits because his gig work doesn't consistently provide the 20 hours of paid work per week now required to maintain eligibility.

Without this food assistance, his transition to adulthood will become even more difficult—placing his stability and health at risk just as he is trying to build a future. Even if he is able to get more hours, his benefits will be reduced because internet and fuel assistance is not counted.



LEON M., 54

Among the companies founded by billionaire Leon M. is the electric-car manufacturer Edison. Even though Edison reports billions of dollars in annual profits, most years it pays little or nothing in federal income taxes. One of the biggest reasons is a loophole recently extended by the Trump law called "bonus depreciation." Traditionally, the cost of big-ticket purchases like buildings, machinery and vehicles is not completely deducted from a company's income in the year incurred, as are the cost of consumables like office supplies. Instead, these bigger purchases are written down (depreciated) over time to reflect their ongoing utility and slow decline in value. The Trump law overturns that long-established accounting principle by allowing companies to immediately deduct those large purchases. This loophole will save Edison \$1 billion in 2025—leading to another tax-free year and a boost in the company's stock price that will make Leon M. \$130 million richer.



GRANDMA PAISLEY, 62

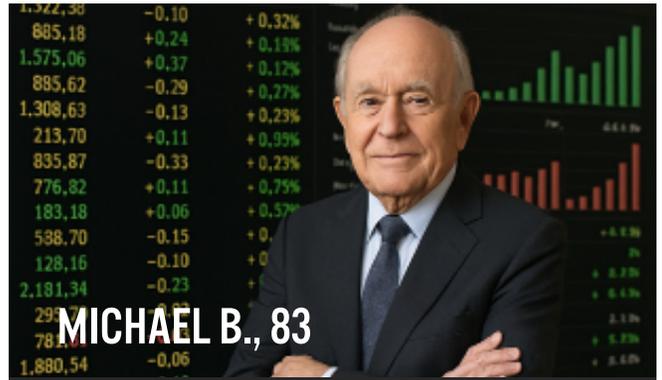
Grandma Paisley lives in a remote area of upstate New York. She recently retired to care for her grandchildren while her daughter returns to school to pursue a better job. Her only income is \$1,341 per month in Social Security. After paying \$1,250 each month in property taxes, home insurance, and utilities, she's left with just \$91 to cover all other expenses. She currently receives \$292 a month in SNAP benefits to help put food on the table. But under the Trump law, because her unpaid caregiving doesn't count as "work," and she cannot meet the 20-hour-per-week paid work requirement, Grandma Paisley will lose her SNAP benefits entirely—despite caring for her family and living far below the poverty line.

AMANDA, 30

Amanda is a single mom in Maine raising her 5-year-old daughter. When her husband passed away suddenly a year ago, she was forced to return to the workforce. She relied on their savings to stay afloat and keep up with bills, but those savings are now gone.

For the first time, Amanda had to apply for SNAP—something she never wanted to do—but she needed to be sure her daughter had enough to eat. She found a job that doesn't pay much, but it offers the flexibility she needs to drop off and pick up her daughter from school, since she cannot afford daycare. She earns about \$1,500 a month and pays \$800 in rent, leaving very little for food, transportation, or other essentials.

Now, under the Trump law, Amanda's SNAP benefits will drop from \$451 to \$346 a month because she will no longer qualify automatically for Heat & Eat. That's a loss of \$105 every month, or \$1,260 a year, with no increase in her income to make up the difference. For Amanda, this means fewer groceries for her daughter, harder choices about bills, and constant stress about how to make ends meet.



MICHAEL B., 83

Billionaire Michael B. is the majority owner of a financial-information company. His company is a "pass-through" business, meaning that it pays no tax on its own account but instead passes through profits and losses to its owners, who pay any tax due on their personal returns at individual rates. But thanks to the Trump law, any company profits are reduced by 20% for tax purposes before being passed along. In 2025, this "pass-through loophole" would allow Michael B. to deduct \$200 million from his income taxes, for a tax windfall of \$74 million.

GEOFF B., 61

Geoff B. is the 61-year-old billionaire founder of dominant online retailer Mississippi. Mississippi spends more on research and experimentation (R&E) than any other public corporation—even though a lot of that research is about less-than-vital matters like the ideal shape of packaging and the best flavors for an energy drink. Whatever its value to society, the company's research usually pays off over many years in slowly building sales or cost savings. Expenses like this with long-term payoffs are supposed to be deducted over the long term (amortized). But the Trump law allows Mississippi and every other business to deduct R&E expenses immediately, in the year incurred. This loophole will save Jeff B.'s company \$700 million in 2025—which the firm will use to increase stock buybacks and dividends, making Geoff even wealthier.

RACHEL, 38

Rachel, a mother of two in rural Utah, homeschools her children (15 & 16). Her husband works full time in construction, but his hours were recently cut due to a slowdown in development so the family had to apply for SNAP to stay afloat. The family's income has dropped to \$2,000 a month, and after paying \$1,500 in rent and utilities, they rely on \$360 in monthly SNAP benefits to buy groceries.

Under the Trump law, Rachel will lose her SNAP eligibility because homeschooling her children doesn't count toward the 20-hour paid work requirement. The policy punishes her for choosing to educate her children—an unpaid, full-time job—and threatens her family's food security despite their clear need and effort to stay afloat while the economy rebounds and food prices go down.

SEN. JON ROHNSON, 70

Sen. Jon Rohnsen, age 70, serves on the Finance Committee that writes the nation's tax rules. He strongly supported the 2017 Trump-GOP tax law and its 2025 sequel. He and his wife are worth \$55 million, mostly made up of unrealized capital gains that have never been taxed. The estate tax is the only federal curb on the accumulation and growth of family economic dynasties and raises revenue to fund public services vital to all of us not born rich. Thanks to the new law, the Rohnsens' lucky heirs will inherit \$6.4 million more than they would have otherwise, and public services will be that much poorer.



TANNER, 41

Tanner works part time at a warehouse in Wisconsin. Since leaving the military, he has struggled to find a full-time job with consistent hours. He earns about \$900 a month—though this fluctuates—and spends \$750 on rent and utilities. The remaining \$150 barely covers gas and transportation to work. His \$272 monthly SNAP benefit helps him afford enough food to get by. Under the Trump law, because Tanner cannot consistently secure 20 hours of paid work per week, he will lose his SNAP benefits. He will have no remaining budget for food, putting his health and stability at risk—despite having served his country.



STEPHEN S., 78

Billionaire Stephen S. is the founder of Whitestone, a private equity firm. Private equity (PE) is the pooling of large amounts of money from institutions and wealthy individuals that is invested in companies that are purchased outright; run briefly, usually accompanied by severe cost cutting; then sold off at what is hoped to be a profit. PE investments often damage a target company's customers, workers and community. Private equity relies heavily on borrowing to "leverage" larger deals and pay for dividend payouts to the PE investors. The weight of these big loans can make the target companies collapse. The Trump tax law made it easier to run up PE debt by making more interest tax-deductible. Because of the new looser interest rules, Whitestone will save \$50 million on its taxes, passing those savings on to Stephen S. and his partners.



AABRAHAM, 52

Aabraham and his family arrived in Michigan earlier this year after waiting years in the refugee system. Aabraham had served as an interpreter for U.S. soldiers during the Iraq War, putting his life—and his family’s lives—at risk to support American troops. He carries letters of gratitude from U.S. servicemembers who trusted him in some of the most dangerous moments of the conflict.

Starting over in a new country has been difficult. Aabraham is grateful to be in the U.S., but adjusting to a different culture and navigating daily life has not been easy. He found part-time work that helps cover some expenses, while his wife stays home to care for their three young children. With his earnings and assistance from SNAP, Hassan has been able to afford rent, provide food, and cover basic needs as the family works toward stability.

But under H.R. 1, Aabraham’s family will lose both food assistance and health care. These cuts will strip away the supports that allowed them to survive during this transition and to begin building a life in America. For Aabraham, who risked everything to help U.S. soldiers, the loss of SNAP means once again being forced to make impossible choices—between groceries, rent, and medicine for his children.



J. MONEYBAGS, 54

J. Moneybags and his family live exclusively off a \$32 million stock portfolio, which pays \$400,000 a year in dividends. He and his wife have two children under 17, who attend private school and engage in travel and other broadening experiences over the summer. Thanks to the Trump tax law, the Moneybags qualify for a \$4,400 child tax credit. Meanwhile, their part-time gardener and their maid service’s employees do not qualify for all or part of the credit for their own kids because the parents earn too little from their work.

***Note:** The impacted SNAP recipients are fictional and images are composite, but based on real-life situations and incidents. With the exception of J. Moneybags, the tax-cut beneficiaries may remind readers of real individuals. Such resemblance is entirely intentional.