

TAX POLICY PROPOSALS IN THE 2016 PRESIDENTIAL ELECTION:  
IMPLICATIONS FOR POLITICAL ECONOMY AND INEQUALITY

A THESIS

Presented to

The Faculty of the Department of Sociology

Colorado College

In Partial Fulfillment of the Requirements for the Degree

Bachelor of Arts

by

Celia Palmer

March 2016

On my honor, I have neither given nor accepted unauthorized aid on this thesis.

Celia Palmer

## ABSTRACT

The objective of this thesis is to provide rigorous analysis of 2016 presidential candidates' tax proposals outside of the sensationalized context of mainstream media and political discourse. Specifically, I studied the tax plans of Ted Cruz, Marco Rubio, Hillary Clinton, and Bernie Sanders and compared them on their implications for economic inequality. I read a broad range of materials on the proposals and then compared and contrasted them on four points which are especially revealing of broader trends in American political economy. I found that Cruz and Rubio's plans are consistent with the literature on the increasing influence of radical conservative ideology. Sanders's approach gives voice to class indignation and inserts progressive economic theory back into mainstream political discourse in a way that has not been seen in more than thirty years. Clinton's proposals demonstrate conservative economic ideology and indicate the underrepresentation of redistributive economics by the Democratic Party. Because the effects of candidates' proposals are not consistent with campaign rhetoric, citizens cannot readily connect policies and their implications, thus undermining American democracy.

## ACKNOWLEDGMENTS

Thank you Kathy, for taking an impromptu approach to my thesis process and for offering so much support along the way.

Thanks also to Wade, who taught the class that has been one of my favorites at CC and that got me interested in tax policy!

# Contents

INTRODUCTION .....	1
LITERATURE REVIEW .....	2
<i>Tax Policy in the United States</i> .....	2
<i>Trends in U.S. Economy and Politics</i> .....	6
<i>Public Opinion of Taxes and Social Policy</i> .....	10
<i>The State as a Mediator between Capitalism and Democracy</i> .....	12
METHODS AND DATA .....	15
CANDIDATES' POLICY PROPOSAL DESCRIPTIONS.....	17
<i>Ted Cruz</i> .....	17
<i>Marco Rubio</i> .....	21
<i>Hillary Clinton</i> .....	24
<i>Bernie Sanders</i> .....	29
ANALYSIS.....	31
<i>Clinton and Rubio on Tax Credits</i> .....	31
<i>Clinton and Sanders on Paid Leave and Funding Social Policy</i> .....	33
<i>Ideological Approaches to Regulation</i> .....	36
<i>Cruz and Sanders on Capitalism and Inequality</i> .....	38
CONCLUSION.....	40
REFERENCES .....	42

## INTRODUCTION

Popular and political rhetoric surrounding presidential campaign tax proposals are notoriously hyperbolic, often to the detriment of public comprehension of important issues. Claims that certain tax plans would be “a serious disaster for our economy” or “a devastating blow to the finances of poor and middle-class Americans” are just two examples of this kind of coverage (Tanner 2015a; Yglesias 2016).

Tax policy is indeed one of the political issues that most directly impacts citizens’ lives, and not just through marginal income tax rates. A few examples of the state’s influence through tax policy are direct tax credits, subsidies for employer provided services, and deductions for activities like home ownership and charitable donation. Beyond just affecting individuals, tax policy also shapes economic activity on a broader level, most notably through subsidies to certain industries (Hacker and Pierson 2010; Mettler 2011). But regardless of the extent of the state’s influence through taxes, tax policy in the past three decades has become increasingly hidden from public view, obscuring both the real function of taxes themselves and the general role of the government in providing goods and services to the people (Hacker and Pierson 2010; Howard 1997; Mettler 2011).

This trend has not been accidental. As in the case of the 2001 Bush tax cuts, politicians have designed policy in ways that make it increasingly difficult for average citizens to connect politicians’ rhetoric on taxes to the actual implications of those policies (Bartels 2005; Hacker and Pierson 2005a). Politicians of both parties have actively contributed to the complication and extension of U.S. tax policy, which has accompanied and often enabled welfare state retrenchment (Hacker and Pierson 2005a, 2010). Pervasive anti-tax rhetoric compounds the issue of hidden policy because it leads middle class citizens to support tax cuts that actually harm their long-term economic wellbeing (Hacker and Pierson 2005a). As a result, democracy has been weakened and the relative power of wealthy, informed interests has grown (Bartels 2008; Hacker

and Pierson 2005b, Mettler 2011). The increasing role of money in politics has disadvantaged progressive ideology and caused the Democratic Party to shift to the right on economic issues, another factor contributing to the trends of welfare state retrenchment in the last 35 years (Hacker and Pierson 2010).

While many political analysts claim that campaign plans are nothing more than base constituency bait, all of the three most recent presidents have enacted their tax proposals within their first four years in office (Rubin 2016). If this any indication that one of the current candidates' proposals could become law, we should be paying attention. The public needs a mechanism other than politicians' own endorsements and campaign materials through which to understand tax policy. The purpose of this thesis is to do just that. In the context of the 2016 election cycle, I will examine the tax policy proposals of Ted Cruz, Marco Rubio, Hillary Clinton, and Bernie Sanders and analyze them based on their underlying worldviews and positions relative to trends in American political economy.

## LITERATURE REVIEW

### *Tax Policy in the United States*

Much of the complexity of the U.S. tax code can be accounted for by tax expenditures, which include credits, deductions, exclusions, and preferred tax rates for certain types of income. Welfare state scholars like Howard (1997; 2007) and Mettler (2011) have drawn attention to the role tax expenditures play in augmenting direct social spending by the state. More so than other developed capitalist democracies, the United States relies on tax expenditures as an indirect form of government assistance enacted through the tax code (Howard 2007). Refundable credits like the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) exemplify this type of policy, providing supplementary income to poor and low-income workers regardless of whether they owe federal income tax.

Despite the significance of such programs in augmenting direct social spending, tax credits and other policies that benefit low-and middle-income workers are far outweighed by expenditures that benefit the rich and “entice market actors to consume in socially desirable ways” (Howard 1997:30). According to Tax Policy Center analysis, the three largest tax expenditures are the exclusion of payments for employer-sponsored health insurance, exclusion of contributions to private retirement funds like IRAs and 401(k)s, and the home mortgage interest deduction, all of which the affluent are more likely to benefit from (Steuerle, Reynolds and Batchelder 2008). In 2011, the top 20 percent of taxpayers received 66.6 percent and 81.3 percent of the benefit from exclusions (worth \$526 billion) and itemized deductions (worth \$147 billion)—the two largest categories of tax expenditures—respectively. The top 0.1 percent of taxpayers gained 55.5 percent of the benefit from dividends and capital gains being taxed at lower rates than labor-related income (Marsh 2012).

*Tax reform and cuts since the 1980s.* A brief look at U.S. tax politics since 1980 illustrates how bipartisan support for tax policy expansion enabled the complex and multifaceted system that exists today. In 1981, Congress passed the Economic Recovery Tax Act, which cut the top marginal income tax rate from 70 percent to 50 percent and brought broad-based tax cuts to the fore of the Republican fiscal agenda (Steuerle 2008). The 1981 tax cuts signified a transition away from traditional conservative economics, which upheld a balanced federal budget as its primary imperative (Hacker and Pierson 2010). The 1986 Tax Reform Act further reduced the top marginal rate, but is more an example of broad bipartisan tax reform than supply-side tax cutting. In general, the 1986 reform achieved some simplification and was relatively progressive in its reversal of the trend towards higher taxes for low income workers (Steuerle 2008). It dramatically reduced total tax expenditures but expanded the EITC to compensate for the declining value of the dependent exemption, establishing the EITC as a bipartisan alternative to raising minimum wage (Steuerle 2008; Howard 1997).



With the exception of recent challenges from reform conservatives like Rubio and Paul Ryan, the tax-cutting agenda has remained the holy grail of Republican fiscal policy since the 1980s. George H. W. Bush ran for president in 1990 on the promise “Read my lips, no new taxes,” only to support a deficit reduction bill that raised taxes upon his election. As chronicled by Hacker and Pierson (2010), hardline conservatives’ indignation over Bush’s betrayal was the defining moment for Republican departure from deficit-focused conservatism. In the 1990s, Democrats shifted from a stance of social progressivity to responsible budget management under President Bill Clinton’s leadership and strongly influenced by the pro-business Democratic Leadership Coalition (DLC). Ironically, however, Democrats’ new moderately conservative economic position allowed Republicans to “exploit the Democrats’ fiscal self-restraint” by uninhibitedly supporting unfunded tax cuts (Hacker and Pierson 2010:232).

The dynamic of Democrats “tidying up after” supply-side Republican tax cuts, as neoconservative Irving Kristol unapologetically put it, was epitomized by George W. Bush’s tax cuts (Hacker and Pierson 2010:233). The Bush cuts cost \$2.1 trillion in foregone revenue up to 2010 according to Citizens for Tax Justice (Tax Foundation 2010). These kinds of dramatic cuts are identified by some as growth-generating supply-side economics and by others as “starve-the-beast” strategy. But as Krugman (2003) explains, the two are opposite sides of the same coin: While supply-siders say taxes can be cut without reducing spending, “starving the beast” employs tax cuts for the express purpose of forcing social spending cuts down the road. “Starve-the-beast,” wrote Krugman, “is where the power lies.”

*Expansion of tax expenditures.* Another effect of the increasingly partisan dynamic of fiscal politics was the expansion of tax expenditures. Unlike sweeping reform to tax policy, the expansion and addition of tax expenditures are politically viable and enable a range of policy goals that would be more difficult to achieve using direct measures. Howard (1997) outlines four lenses through which tax expenditures are attractive to politicians: as provision of aid to groups of needy citizens, as subsidies to private sector providers, as tax reductions, and as alternatives to

traditional government spending programs. Republicans and Democrats favor different types of tax expenditures for different reasons, but that they are politically feasible at all makes them a key policy tool in today's political climate. Mettler (2011) further describes how tax expenditures and other "submerged" policies have become increasingly favorable in the context of Congressional gridlock, citing bipartisan appeal and Democratic acquiescence, the institutional difficulty of enacting direct spending measures in Congress, and the role of interest groups that defend established policies.

One reason why Republican politicians like tax expenditures is that they need to offer goods and services to their constituencies without appearing to increase spending or enlarge the federal bureaucracy (Mettler 2011). Additionally, Republicans support even very expensive tax expenditures because of the role they play in incentivizing market activities like home ownership. Similarly, Democrats have also supported tax expenditures as alternatives to more directly redistributive actions like raising the minimum wage (Howard 1997; Hacker and Pierson 2010).

Although Bush is known for his repeated rate-cutting tax reforms in the early 2000s, his administration also expanded many tax expenditure policies. Among the expanded tax credits were the CTC, EITC, dependent care credit, and adoption credit. Bush also created a new credit for businesses providing on-site child care (Dubay 2013).<sup>1</sup> The Obama administration also expanded and created a number of tax expenditure policies, many of which were included in the American Recovery and Reinvestment Act of 2009, better known as the stimulus. For individuals, Obama enacted the Making Work Pay credit, American Opportunity credit and a 65 percent credit covering healthcare for those who were unemployed during the recession (Mettler 2011). Obama also expanded the CTC and EITC as a part of the Recovery Act, which affected nearly 12 million working families. Under the Small Business Jobs Act, Obama created eight new tax credits and deductions designed to alleviate the tax burden on small businesses. The Recovery

---

<sup>1</sup> As will be discussed below, the combination of rate cuts for high-income taxpayers and corporations with family-centric tax credits is mirrored in Marco Rubio's policy.

Act, Affordable Care Act (ACA), VOW to Hire Heroes Act, and other Obama administration legislation also included tax breaks for small businesses (The White House 2016). While the stimulus did significantly increase direct federal spending to stimulate the economy at the height of the recession, the inclusion of so many tax credits is consistent with Mettler (2011) and Howard's (1997, 2007) argument that Democrats have used tax expenditures as an alternative means to establish federal support for middle and working class taxpayers.

*Trends in U.S. Economy and Politics*

*The politics of retrenchment.* Scholars have described the past three decades of American politics as an era of conservative dominance and welfare state retrenchment (Hacker and Pierson 2005b; Hacker and Pierson 2010; Howard 2007; Pierson 1994). But as Pierson notes, retrenchment politics embody many more forms than just spending cuts and reforms to existing social programs. Systemic retrenchment, as opposed to programmatic retrenchment, involves "policy changes that alter the broader political economy and consequently alter welfare state politics," including indirect defunding, policy-induced change in public opinion, modifications to political institutions, and the weakening of pro-welfare state interest groups (Pierson 1994:16). Pierson also discusses the role of policy feedback effects in retrenchment politics, emphasizing and delineating the mechanisms through which policies "create incentives that encourage the emergence of elaborate social and economic networks," which in turn affect future policy possibilities (Pierson 1993:608). Thelen (1999) then distinguishes between functional feedback mechanisms, by which actors are incentivized to pursue established trajectories, and distributional mechanisms, which affect patterns of political power distribution.

In addition to discussing the relationship between policy and politics, scholars have examined the different types of policy change that politicians use to make retrenchment less visible (Hacker 2004; Hacker and Pierson 2005a; Hacker and Pierson 2010). Layering is one such policy tool that conservative politicians have used strategically to undermine social policy and progressive tax policy. For example, Butler and Germanis (1983) proposed the creation of private

options to social programs (through tax expenditures) and attacks on public opinion to lay the political groundwork to dismantle programs like Medicare and Social Security. Another political retrenchment trend outlined by Hacker and Pierson is drift, defined as the “failure to adapt public policy to the shifting realities of a dynamic economy” (Hacker 2004; Hacker and Pierson 2010:52).

*Democrats and drift in the political context of 1980s and 1990s.* By engaging in the politics of drift, Democrats have “critically contributed to the steady shift of government’s attention away from the middle class,” most notably in the realms of tax policy and deregulation (Hacker and Pierson 2010:244). Although drift has been facilitated by conservative obstructionism in Congress, the heightened role of money in politics—and more pressingly in the Democratic Party—meant that inaction on issues regarding the middle class and economic regulation was a politically attractive stance for the Democratic Party (Hacker and Pierson 2004; Hacker and Pierson 2010). Democrats’ need to appeal to businesses created a conflict of interest between the party’s traditional identity as champion of labor and the increasing need to attract corporate support (Hacker and Pierson 2010).<sup>2</sup> With politicians needing to seek contributions from wealthy voters and businesses to run viable campaigns (although Sanders’s PAC-less campaign is challenging this piece of pragmatism), middle- and low-income voters have become less likely to be directly contacted or appealed to by politicians (Skocpol 2000). Simultaneously, labor unions and other middle-class membership organizations have declined drastically in size and influence, doubling the blow to average citizens’ access to political participation. The weakening of organized labor was, in a way, perversely convenient for the Democratic Party, which began appealing to “well-off social liberals” instead of middle- and low-income people when the need to generate more money became a pressing reality (Hacker and Pierson 2010:179).

---

<sup>2</sup> That Hillary Clinton is especially criticized for allying with business is interesting given that Democrats have been doing so for 30 years. The continued existence of this phenomenon suggests that there are mechanisms allowing the party to maintain its middle-class, pro-labor identity despite shifts in fiscal policy.

Economic deregulation in the 1980s and 1990s is a primary example of drift and Democrats' role in passively enabling pro-business policies that disadvantaged the middle and working classes. Democrats in the 1990s supported the expansion of the EITC as an alternative to raising the minimum wage, which conservative economists decry for adversely affecting employment (Howard 1997; Steuerle, 2008). Additionally, President Clinton and New York Senator Chuck Schumer enabled deregulatory efforts throughout the decade. Clinton ran for president in 1992 on populist appeals and an agenda of progressive social policy, but, as mentioned above, he prioritized deficit reduction over social policy objectives once in office and embraced the deregulatory economics of his Treasury Secretary Robert Rubin (Hacker and Pierson 2010). In the Senate, Schumer facilitated the burgeoning relationship between Wall Street and congressional Democrats. Among the deregulatory issues that Schumer supported and promoted in the 1990s and early 2000s were the repeal of the Glass-Steagall Act and the preservation of the carried interest tax loophole, which allowed the top 25 hedge fund managers in 2007 (who made an average of \$900 million) to pay a 15 percent federal tax rate (Hacker and Pierson 2010). Even though garnering support from Wall Street was arguably a political necessity for Democrats in the late twentieth century, pro-business policy stances mean different things in the different historical and ideological contexts of the two parties. The private sector invests in the GOP to support party organization and essentially "bankroll intellectual infrastructure" (Hacker and Pierson 2010:180). On the other hand, corporations invest in individual moderate to conservative Democrats as a sort of insurance effort to reduce the chances of strong congressional opposition to economic deregulation.

The politics around the Bush tax cuts offer further evidence of Democrats enabling conservative economic policy. Despite stark partisan differences in tax ideology, Democrats' votes for the regressive 2001 tax cuts are what allowed it to pass. Rather than just enabling political change by not doing anything, centrist Democrats actively facilitated the regressive policy in this case. Many of the defecting moderate Democrats defended their positions by

highlighting the impact that the estate tax has on small businesses and family farms, but the estate tax is one of the most progressive taxes the U.S. has, so the message was clear. Because the liberal, pro-labor side of the Democratic Party was comparatively weak at the time, the pro-business Democrats faced few consequences in supporting the policy (Hacker and Pierson 2010).

*Money in politics and Republican organization.* While Democrats have been primarily responsible for drift in economic policy, their inaction has occurred in the context of an increasingly organized Republican opposition. Since the 1970s, money has become a more significant factor in electoral politics, a condition that unsurprisingly benefits the Republican Party because business-friendliness is consistent with the party's ideology (Hacker and Pierson 2005b). The Republican Party has strengthened organizationally through the growth and increasing influence of the Republican National Committee (RNC) and through the rise of conservative grassroots movements and networked presence of Republican politicians in state governments. In the 1970s, the advent of television and polling as new media connecting voters and politicians made money more important in politics, and unions and business groups began to form PACs to fund campaigns. Because business PACs had more money to give than labor PACs, the advantage went to the GOP (Hacker and Pierson 2010).

Along with these new trends in campaign finance from organized interests, the RNC was finding innovative new ways to raise money from constituents, giving the party even more of an edge. With the RNC's organizational and fundraising capacities, it was able to support individual candidates' campaigns. The Democratic National Committee (DNC), on the other hand, was disorganized and financially unstable, and Democratic candidates largely had to fundraise for themselves (Hacker and Pierson 2010). In the 1982 midterm elections, the Republican national committees "contributed *six times* as much as to individual House and Senate candidates" than did their Democratic counterparts (Hacker and Pierson 2010:166). Bartels (2008:123) used statistical analysis to study the effect of the Republican financial advantage in presidential elections and found that "the estimated effect of differential campaign spending was large enough

to account for the entire net popular vote margin for Republican presidential candidates.”

Coinciding with these financial trends, the Republican Party itself was becoming more conservative as a new generation of politicians began to replace the older cohort of Republicans who championed compromise and fiscal responsibility (Hacker and Pierson 2010). Although the Republican Party is now in disarray, the role of super-PACs and funding networks of wealthy donors has essentially filled the role that the RNC played in the late twentieth century.

*Ideological polarization.* In addition to unequal material circumstances of the Democratic and Republican parties, there has been significant ideological polarization. While the Democratic Party did become more liberal with the departure of Southern Democrats to the GOP, Democrats’ economic platform has nevertheless shifted rightward (Howard 2007). Polarization makes the system of checks and balances even less effective than it was designed to be at passing legislation, but political inaction does not bode equally for the two parties. Whether the lack of updated policy is a product of Congressional gridlock or obstructionist tactics by Republicans, the result is the same: inequality worsens because policy lags behind economic conditions. Hacker (2004) warns that opponents of progressive policy do not have to enact significant reform legislation to achieve their agenda; Republicans can get what they want and tilt the political field without doing anything at all.

#### *Public Opinion of Taxes and Social Policy*

Public opinion and its regard by politicians offers another insightful perspective on the politics of tax reform in the United States. Americans’ opinions themselves are not very useful for understanding the ideological underpinnings of tax policy, but the relationship between public opinion and politicians’ actions and intentions reveals a lot about the way American “democracy” functions. Page and Jacobs (2009) reveal some striking findings about public opinion of tax policy given the seeming prevalence of anti-tax rhetoric and sentiment in America. Using data from their own nationally representative Inequality Survey, the authors find that majorities of Americans support making the payroll tax less regressive by lifting the cap on taxable income and

also agree that the corporate income tax should be used “a lot” to generate federal revenue. Page and Jacobs determine that Americans generally “arrive at sensible opinions about taxes that that are more or less in harmony with their values and interests” (2009:88). This conclusion sharply contrasts Bartels’ finding that opinions of the Bush 2001 tax cuts were “ill informed, insensitive to some of the most important implications of the tax cuts, and oddly disconnected from a variety of relevant values and material interests” (2005a:21).

But Bartels’ findings about the 2001 policy opinions aren’t completely inconsistent with Page and Jabobs’ statements about general understandings of taxes and economic inequality. What the divergence in their conclusions suggests is that policy design and political rhetoric prevent citizens from being able to relate policy implications to their own values, a cognitive disconnect that Bartels addresses in his article but fails to contextualize. Hacker and Pierson expand the frame of reference of the cognitive disconnect that Bartels identifies, arguing that politicians “manipulate public opinion” and “systematically cultivate” the disconnect between policy and inequality (2005a:44). Such manipulation indicates the faltering of representational democracy and is present not only in the realm of tax policy but also across the board in American politics today.

The context of the dynamic between politicians and citizens is the polarized political climate, which makes it easier and safer for politicians—especially Republicans—to ignore centrist voters and tout increasingly conservative values and policy proposals (Hacker and Pierson 2005a). Primary election cycles are one site where this trend is particularly evident, displaying the “race for the base” phenomenon that Hacker and Pierson discuss in “Abandoning the Middle” (2005a) and *Off Center* (2005b). Policy design is another tool politicians use to “lengthen the causal chain” and make it harder for voters to understand distributional effects of policies (Pierson 1993). By obscuring and misrepresenting the outcomes of policies that do not benefit the majority of citizens, politicians are actively undermining the conditions of democracy. “For citizens to possess the political power to rule themselves,” writes Mettler, “they need to



understand their own relationship to government and the role it does and does not play in their lives” (2011:123).

*The State as a Mediator between Capitalism and Democracy*

*Marx and the factor of social indignation.* One way to understand the relationship between politics and economics in the U.S. employs a Marxist perspective. Aron’s (1965:136) reading of Marx’s *Capital* suggests two approaches to understanding the “capitalistic dialectic of self-destruction.” The first representation is economic and is based on the increasing difficulty with which capitalism functions when capital is accumulated, productivity increases, and the rate of profit declines in result. The sociological representation is based on the process of proletarianization, by which an increasing proportion of the strata between the capitalists and the proletariat are forced into the proletariat as the capitalist regime develops. Aron’s commentary on Marx is that he offers no real proof of proletarianization because the process is based on “social evaluation of the minimum standard of living” (1965:137). Because relations between the classes are social—not exclusively economic—capitalism’s demise is not inevitable without the social element of indignation. Middle class support for the Bush 2001 tax cuts offers good evidence that the kind of indignation necessary to challenge or overthrow the capitalist regime does not exist in the United States.

Yet recent political events do suggest that class indignation of the kind Aron describes *is* present to an extent. First, the Occupy Wall Street protests and broader Occupy movement of late 2011 and early 2012 indicate that middle- and working-class Americans are aware of and outraged by the corrupt behavior of finance executives that led to the 2008 crisis and the resulting growth in income and wealth inequality. The success of political outsiders like Donald Trump and Sanders is further proof that people are fed up with the status quo of American politics and economics, even though the two candidates espouse radically different solutions to middle class struggle. Even though these movements have tapped into the widespread awareness of inequality

and economic hardship, it is still possible for indignation to lack foundation in the actual politics and policies that enable such trends.

American workers might recognize the injustice of working more than full time and still living below the poverty line, but the strategic cultivation of the disconnect between policy and inequality by conservatives prevents anger at such circumstances from translating into political action (Hacker and Pierson 2005a). Paul Ryan and Arthur Brooks' 2010 Wall Street Journal op-ed is a great example of this cultivation. In the article, Ryan and Brooks basically try to convince readers that they're violating their own deep anti-government desires by supporting redistributive social policy and safety net programs. In addition to politicians' rhetorical manipulation, the decline of organized labor and membership organizations also deprives middle- and working-class citizens of a medium through which to understand and participate in politics (Skocpol, 2000, Hacker and Pierson, 2010).

*Markets are not pre-political.* Related to politicians' cultivation of anti-statist sentiments among the public is the increasingly hidden nature of American social policy. As social policy has transitioned from visible and robust social programs to assorted benefits for target groups enacted through the tax code, it has become increasingly difficult for citizens to recognize the role government plays in their lives. Simultaneously, Republicans and conservative Democrats' dominance of political rhetoric in the past few decades have perpetuated the notion that markets are "pre-political" (Hacker and Pierson 2010:68). But they are not. As Mettler (2011) explains, government subsidies and tax incentives contribute significantly to American economic success. But because such transactions happen behind the scenes, it is easy for such success and economic growth to appear to be the result of pure market forces, especially when conservative politicians and economists enthusiastically support market logic. The common American understanding of the market as a natural phenomenon—and resulting assessment of government as a redistributor—misinterprets the fundamental intertwining of politics and economy (Hacker and Pierson 2010). The role of the state is not just to correct for inequality that is created by the

market; rather, “it is, in its own right, a system of stratification, [...] an active force in the ordering of social relations” (Esping-Andersen 1990:23). Different types of welfare state regimes have varying underlying ideologies that in turn structure economies differently. The U.S. exemplifies the liberal regime type because many of its social policies are founded in the “work-ethic norms” of liberal economics and because the state “encourages the market” by offering minimum benefits and subsidizing private welfare programs (Esping-Andersen 1990:26).

The role the state plays in mediating the relationship between capitalism and democracy has serious implications for economic inequality. The trends in American politics and economics described above are not only contributing to increased inequality, but also are sacrificing basic democratic principles in favor of market growth and efficiency. Data from the Luxembourg Income Study and the OECD show that compared to other capitalist democracies, U.S. policy does little to reduce the poverty and inequality that capitalism inherently creates (Dreier 2007; Smeeding 2006). Looking at this data in juxtaposition to Howard’s (2007) argument that the American welfare state is actually larger than it appears due to tax expenditures brings into question the effectiveness and intentions of U.S. social policy. As Esping-Andersen (1990) explains, liberal welfare state policies are not intended to address structural poverty and raise the standard of living. The mere existence of welfare state policies does not “bring about significant decommodification if they do not substantially emancipate individuals from market dependence” (1990:22). With a minimum wage of \$7.25 per hour, American workers are far from market emancipation.

*Neoliberalism and the role of the state.* Soss, Fording and Schram (2011) offer another perspective on the role of the state that complements Esping-Andersen’s theory and Hacker, Pierson and Mettler’s observation: the perspective of neoliberal economics. By this account, neoliberalism departs from traditional liberal economics in its tenet that markets are not “natural outcomes” but must be “actively constructed” (Soss et al. 2011:21). Rather than trying to minimize the state, neoliberalism is “an effort to mobilize the state on behalf of the market and

reconfigure the state as a quasi-market operation” (20). It is hard to imagine circumstances that exemplify these principles better than the development of U.S. politics and economics since 1980. The dismantling of post-New Deal regulatory measures in the 1980s and 1990s, according to Hacker and Pierson, “reflected repeated aggressive application of political power” (2010:68). This analysis of political power closely mirrors Soss et al.’s description of neoliberalism’s approach to government: Intense *deregulation* actually represents no less an activist government than heavy regulation. It is ironic that conservative politicians have been able to accomplish this transformation under the guise of anti-statist rhetoric, but indeed they have. The combination of neoliberal economic policy and anti-statist pandering in the Republican Party offers yet another example of politicians manipulating public opinion and misrepresenting the ideological import of economic policy.

The research and theoretical perspectives that scholars have generated on the topics of welfare state regimes, retrenchment, tax policy, and ideological shift provide a detailed framework through which to study the current political climate and the presidential candidates’ tax policy proposals. Additionally, the literature on public opinion raises questions of how candidates’ rhetoric compares to the likely effects of their policies and, consequently, what that means for American democracy.

## METHODS AND DATA

In order to analyze the underlying ideologies and implications for inequality of the 2016 presidential candidates, four candidates were selected on the basis of their platforms being distributed across the political spectrum. Clinton and Sanders stood out as the only two dominant Democratic candidates and for being considerably ideologically distinct from each other. On the Republican side, Rubio was chosen because he has been the establishment favorite for much of the campaign and represents the emerging brand of reform conservatism. Cruz was selected because he is right wing but still a career politician and therefore fits within the context of

American political history and political ideologies. Although there is equal party representation among the four candidates, the study is biased because I selected these four candidates in anticipation of finding notable contrasts. Finally, as any discussion of the 2016 election is arguably incomplete without mention of Trump, he was not selected because his policy proposals are not rooted in any consistent underlying ideology; he is more a phenomenon than a politician whose platform is a representation of existing strains of political thought.

After the candidates were selected, I collected material from their websites, policy think tanks, and the mainstream press about their tax policy proposals and stances on other relevant economic issues. For rigorous economic analysis, I referenced the Tax Policy Center, which is the most prominent non-partisan tax policy institution and has published detailed analyses of each of the four candidates' tax plans. In my popular press research, I read articles on each of the candidates from a range of publications with biases across the political spectrum. The news websites I frequented included *FiveThirtyEight*, *Forbes*, *Fox News*, *National Review*, *Politico*, *Slate*, *Salon*, *The Atlantic*, *The Nation*, *The New Republic*, *The New York Times*, *The Washington Post*, *Vox*, and *The Wall Street Journal*. Most of my research was specifically about taxes and tax politics, but I also read some material on the candidates' other proposals as broader context for their ideological backgrounds.

One critique of my methods is that because campaign tax proposals are unlikely to ever become law, it's a waste of time to analyze them so closely. But even if these proposals won't be enacted in their exact proposed forms, the fact that the three most recent presidents' tax proposals have all eventually translated into policy means that these plans—especially their ideological frameworks—are worth paying attention to. Another shortcoming of this study is that I only included four of the presidential candidates. At the time I started research there were three Democratic candidates (Clinton, Sanders, and Martin O'Malley) and 12 Republicans. Although a broader selection of candidates would have enabled a more detailed analysis—especially of intra-party variation—the four I did include are widely enough distributed across the political spectrum

to allow for such an approach. Another shortcoming is that the chosen candidates have published varying amounts of material (in varying degrees of detail) on their tax plans. This factor did affect the depth of the analysis that I was able to conduct, but the ideological implications of the plans can be judged even with limited detail available.

## CANDIDATES' POLICY PROPOSAL DESCRIPTIONS

### *Ted Cruz*

Cruz is proposing a tax plan that would radically restructure the federal government's revenue stream and the distributional impact of taxation on American citizens (Rosenberg, Burman, Nunns and Berger 2016). As Cruz wrote in a Wall Street Journal op-ed announcing the plan, its goals are to stimulate growth and job creation with higher after-tax income for everyone, simplify the tax code and enable easier filing, and "get rid of the rat's nest of complex tax requirements, credits and loopholes" (Cruz 2015a). To do this, Cruz proposes enacting a 10 percent flat income tax rate with the first \$36,000 of income tax free and a 16 percent "business flat tax;" repealing the corporate income tax, estate tax, payroll tax, ACA taxes, the alternative minimum tax (AMT), all credits except the CTC and EITC, all itemized deductions except those for home mortgage interest and charitable contributions and above-the-line deductions except for Individual Retirement Accounts (IRAs); and creating a new type of tax-deferred accounts similar to IRAs called Universal Savings Accounts (Cruz 2016b; Rosenberg et al. 2016). Although Cruz would keep the progressive CTC and EITC, it is notable that the only deductions he would keep are those for charitable contributions and home mortgage interest because they are the ones that most benefit affluent taxpayers (Bernstein 2015; Freedman 2012). Among the deductions that would be eliminated are those for student loan interest and work-related educational expenses, which are more progressive.

According to the non-partisan Tax Policy Center, the Cruz plan would cost \$8.6 trillion over its first decade (Rosenberg et al. 2016). That translates to 3.6 percent as a proportion of

GDP. To put this figure in context, the Reagan cuts cost 2.1 percent of GDP and the Bush cuts cost 1.4 percent (Burman 2016b). While all income groups would see increases in after-tax income, the rich would benefit much more: In 2017 the bottom quintile of taxpayers would gain an average of \$46 or 0.4 percent in after-tax income, the top 0.1 percent would get a 29 percent increase, or an average of \$2 million (Rosenberg et al. 2016). Those making under \$10,000 would see their tax burden rise by \$67 due to the business flat tax, which functions as a 19 percent sales tax. Of the total cost of Cruz's plan, 79.6 percent of the benefits go the top quintile of taxpayers, with the top 1 percent of taxpayers receiving 43.7 percent (Matthews and Zarracina 2016). Contrary to TPC's numbers, the right-leaning Tax Foundation's dynamic analysis (adjusting for the plan's anticipated impact on economic growth) estimates that the bottom quintile of taxpayers would see 14.8 to 15.3 percent increases in after tax income (Pomerleau and Schuyler 2015). However, this figure assumes a 20 percent increase in the EITC, which Cruz has not specified (Rosenberg et al. 2016).

The Cruz campaign is running on the claim that the cuts would be funded by eliminating bureaucratic excess (Cruz 2016). Cruz's website estimates savings of \$500 billion over 10 years due to abolishing the Internal Revenue Service, Department of Education, Department of Energy, Department of Commerce, and the Department of Housing and Urban Development, along with 25 more federal agencies and bureaus including the Consumer Financial Protection Bureau (Cruz 2016). Cruz announced the plan in an article for the *National Review*, writing that the ideological goals of the plan are to reduce the size and role of the federal government, restore states' rights and "unleash the people's ingenuity," all of which are indicative of a deeply conservative worldview (Cruz 2015b). Part of the plan would involve turning federal education funding into block grants, which are usually used as a spending reduction mechanism and would give states more flexibility in deciding how funds are used (Kurtzleben 2015; Nelson 2015). Cruz also wants to enact a balanced budget amendment, but balancing the budget with his cuts wouldn't be possible even if Medicare, TANF, CHIP, food stamps, Obama-enacted subsidies, disability

assistance and non-defense discretionary spending (including the FBI, CDC, Head Start, and National Institutes of Health) were all completely eliminated (Matthews 2016d).

Much of the analysis and media attention to Cruz's plan has gone to addressing the proposed 16 percent business flat tax, which would replace the current corporate income tax. "Business flat tax" is what Cruz insists on calling the policy, but almost everyone else, including other Republican candidates and analysts across the political spectrum, recognize that the tax is essentially a Value Added Tax (VAT) and would thus shift the system toward taxation of consumption (Burman 2016a; Cole 2015a; Matthews 2015b; Pomerleau and Schuyler 2015; Rosenberg et al. 2016; Viard 2015; Yglesias 2016). A VAT is a tax that appears as a sales tax and that businesses pay on value added at each point along the production chain (Thompson 2010). Because Cruz's business flat tax would be paid quarterly by businesses and not as a line item on consumer receipts, he insists it is not a VAT (Snell 2016). But the overall effect of the tax would be realized as a VAT (i.e. as a sales tax) because businesses would raise their prices to cover the cost of taxes owed. Unlike under current corporate income tax policy, businesses would also owe tax on wages paid to their employees, so pre-tax wages would likely decrease as a result (Burman 2016a; Rosenberg et al. 2016). As Rosenberg et al. (2016a:6) note, however, this reduction would be "partially offset by an increase in wages due to elimination of the employer share of the payroll tax."

Because low-income workers spend higher portions of their earnings than do high-income people, consumption taxes like Cruz's proposed business flat tax are regressive (Burman 2016a; Matthews 2016d). Cruz's simple flat tax would tax all income over \$36,000 at 10 percent, including investment income. In terms of progressivity, this element of Cruz's plan would be better than other GOP proposals like Rubio's, which would eliminate capital gains taxes, but more regressive than the current top capital gains rate, which is 23.8 percent (Matthews 2015b). Along with the 10 percent flat income tax, Cruz would increase the standard deduction from \$6,300 to \$10,000 for single filers (\$12,600 to \$20,000 for joint filers) (Cruz 2016). Although all



taxpayers would initially see an increase in after-tax income, the “depressing effect of the VAT on wages” would eventually outweigh the higher standard deduction for the bottom quintile (Rosenberg et al. 2016:12). The VAT would cause pre-tax wages to fall because the 16 percent rate is higher than the current employer portion of payroll tax and because wages would no longer be a deductible expense for businesses. Yet for all but the lowest-income taxpayers, the regressivity of the VAT would be mitigated or offset by the reduced income tax burden (Rosenberg et al. 2016).

As mentioned above, Cruz has also proposed to eliminate many current tax policy provisions in the name of simplification, including all ACA taxes. Perhaps most notably, the Cruz plan would eliminate the payroll tax, which is currently set at 15.3 percent and funds Social Security and Medicare. According to Tax Policy Center analysis, cutting the payroll tax would be the largest source of revenue loss under Cruz’s plan. Cruz’s VAT would offset 70 percent of lost revenue from cutting income tax and eliminating payroll tax, but the Cruz campaign promises to “maintain full funding for Social Security and Medicare” without specifying how (Rosenberg et al. 2016; Cruz 2016). In debates and campaign speeches, Cruz has articulated that he would keep benefits the same for current seniors but for younger workers would raise the retirement age, have benefits grow more slowly by tying them to inflation, and encourage the use of tax-deferred private savings accounts (Cruz 2016a; Fox Business 2015). Cruz’s proposed Universal Savings Accounts (USAs) function like IRAs, but funds can be withdrawn at any time for any purpose. Rosenberg et al. (2016:5) judge that USAs would allow “most taxpayers [to] eventually pay no income tax on their investment returns.”

Cruz’s plans to cut the payroll tax and establish USAs are consistent with the literature on long-term conservative retrenchment tactics. Butler and Germanis’s 1983 essay explicitly advocated for the creation of private alternatives that would undermine social investment in programs like Social Security and Medicare. Such shelters exist today in the forms of IRAs, HSAs and Cruz’s proposed USAs and cause the policy-induced change in public opinion that

Pierson (1994) identifies as one of the primary forms of systemic retrenchment. The most consequential feedback effect of these policies is that they split the population along class lines, and those who can afford the private option are no longer invested in maintaining traditional social insurance programs.

A final aspect of Cruz's plan is his elimination of most individual tax expenditures. Cruz would cut all tax credits and deductions except for the CTC, EITC, home mortgage interest deduction and charitable contribution deduction. Because tax expenditures benefit various groups and incentivize many types of activities, the impact of cutting them depends on what is cut. The EITC and CTC are some of the most progressive tax policies because they are refundable and therefore benefit low-income workers who don't owe income tax. Deductions, however, are generally regressive, first because high income people are more likely to buy homes and give to non-profit organizations, and second because deductions are worth more for taxpayers in higher marginal tax brackets (Freedman 2012; Steuerle et al. 2008). Notably, Cruz's proposed VAT would "hammer the elderly," who spend more than 100 percent of their after-tax incomes on average and would not benefit from the neutralizing effects of EITC expansion or elimination of payroll tax because they don't work (Yglesias 2016).

### *Marco Rubio*

While Rubio is widely identified as the moderate, establishment candidate for the Republican Party—especially compared to Cruz and Trump—his "pro-growth, pro-family" tax plan is not moderate (Rubio 2016a). In fact, none of the 2016 Republican presidential candidates have moderate tax policy proposals, supporting the literature on George W. Bush's tax policy about public opinion and political polarization. Hacker and Pierson discuss how primary politics in particular provide a polarizing context in which it is advantageous for candidates to "race for the base," leading candidates' platforms to be more representative of their party's doctrines than of voter sentiments (2005:41). While Rubio's plan is less radical than Cruz's, it also shifts the

U.S. tax code towards a consumption-based system and therefore heavily favors high-income taxpayers and the wealthy.

Rubio's plan cuts taxes overall, but in different ways than Cruz's plan and other Republican tax proposals, representing a departure from the conservative fiscal doctrine of loading tax cuts on the rich (Lind 2015; White 2015). Rubio's policy proposals are characteristic of the reform conservative movement, whose members "want the [Republican] party to get more flexible in its views toward tax and spending levels in order to help the middle class" (Lind 2015). The Rubio tax plan condenses the individual income tax code down to three rate brackets (15, 25, and 35 percent) without lowering the top marginal rate by much (the current top rate is 39.6 percent) (Rubio 2016a). Rubio also proposes a \$2,500 partially refundable expansion to the CTC, a new \$2,000 personal tax credit (\$4,000 for joint filers) to replace the standard deduction and personal exemption and "equalize tax savings received by households at different income levels," a new \$2,500 higher education credit and a 25 percent credit to businesses who offer paid leave (Maag, Williams, Rohaly, and Nunns 2016:7).

The expanded CTC and the new paid leave credit are the core of the "pro-families" aspect of Rubio's plan. In contrast to Clinton and Sanders's plans, Rubio's paid leave proposal avoids "pricey, harmful government mandates" and instead incentivizes businesses by providing a 25 percent tax credit to those who choose to offer between 4 and 12 weeks of paid leave to their employees (Rubio 2016b). In an op-ed announcing his paid leave credit, Rubio wrote that it encourages businesses to offer paid leave by "creatively apply[ing] our free enterprise principles" (Rubio 2015). The plan has been criticized because tax credits meant to incentivize employer behavior (e.g. the Welfare-to-Work and Work Opportunity credits) have not been very effective in the past (Flowers 2016). Because of this, white collar employers who already offer paid leave are more likely to take advantage of the tax credit, leaving behind 77.2 million hourly-wage workers. Low-wage and part-time workers, who are less likely to benefit from tax credit-based leave, are disproportionately women and people of color (Flynn 2015). That a Republican

candidate is proposing paid leave at all indicates that paid leave is gaining ground as a bipartisan issue, even if Rubio's version of it does little to overcome employment inequality.

Even though the Rubio tax plan contains segments that would help middle class families, it is still largely regressive. Rubio would eliminate the estate and gift taxes, capital gains tax, the alternative minimum tax (AMT) on individuals and businesses and all ACA taxes (Maag et al. 2016; Rubio 2016a). These taxes are some of the most progressive taxes and largely target wealthy and high-income taxpayers, so eliminating them would be a significant shift towards regressivity, similar to the Bush 2001 cuts. Under Rubio's plan, the bottom quintile of taxpayers would see an average \$251 (2.2 percent) increase in after-tax income, while the top quintile would gain \$16,008 (6.2 percent) on average and the top 0.1 percent would gain \$932,841 (13.6 percent) (Maag et al. 2016). These figures are not as regressive as those estimated for Cruz's plan, but still favor the rich by huge margins. As a percentage of GDP, Rubio's cuts would cost 2.6 percent, which is still substantially higher than the 2.1 percent cost when Reagan cut the top marginal rate from 70 to 50 percent in 1981 (Burman 2016b).

The plan would also "dramatically simplify the tax code" by eliminating all itemized deductions, keeping the ones for home mortgage interest and charitable contributions but making them available to all taxpayers not just itemizers (Maag et al. 2016). This aspect of Rubio's plan is similar to Cruz's and, taken apart from the other components of his plan that dramatically favor the rich, is progressive because itemized deductions disproportionately benefit high-income taxpayers.

As for business taxes, Rubio would cut the corporate income tax rate from 35 to 25 percent. Under the new policy, small businesses would pay the new corporate rate instead of individual rates as they do under current law (Maag et al. 2016). Investments and expenditures would be immediately expensed, and both taxes on interest income and the deductibility of interest payments would be eliminated, effectively transforming the corporate income tax into a "cash-flow consumption tax" (Maag et al. 2016; Matthews 2015a; Williams 2016). In conjunction

with removing taxes on individual capital gains, Rubio's business tax plan resembles the X-tax outlined by economist David Bradford as a progressive alternative to a pure consumption tax (Maag et al. 2016; Matthews 2016c). X-taxes are similar to VATs, but allow businesses to deduct wage expenses and then wages are taxed at progressive rates, as under Rubio's proposal. Taxing wages at progressive rates mitigates the regressive element of VATs by offsetting the disproportionate burden that pure consumption taxes have on low-income workers (Maag et al. 2016).

All said, Rubio's tax plan is hardly more progressive than Cruz's. His paid leave tax credit is likely to only benefit workers at white-collar firms that already have generous leave policies. His new general taxpayer credit has been understood by some analysts as a form of basic income, but the Rubio campaign clarified that the rules surrounding the credit "would be tailored to ensure that [the] reforms would not create payments for new, non-working filers" (Matthews 2016c). The elimination of capital gains taxes and adjustments to the corporate tax code equate to a consumption-based tax system, and lastly, Rubio supports a balanced budget amendment, which would lead to huge cuts to social spending when combined with his \$6.8 trillion tax cuts (Maag et al. 2016; Rubio 2016c).

### *Hillary Clinton*

Of the four 2016 presidential candidates in this study, Clinton has the tax plan that changes the current tax code the least. Her plan leaves the basic structure of the U.S. tax code essentially as is, adding rules and regulations around the edges to "restore basic fairness to the tax code" and "ensure that the super-wealthy pay their fair share" (Clinton 2016f). With campaign rhetoric centered on fair, strong, and long-term economic growth, Clinton has promised not to raise taxes on anyone with income under \$250,000 and plans to fund tax expenditures and policies that help the middle class by raising taxes on corporations and high-income taxpayers (Flynn 2016; Clinton 2016a; Clinton 2016f). To accomplish these goals, the Clinton plan uses tax policy in three main ways: raising taxes on wealthy individuals, regulating the financial industry

through the tax code, and using tax expenditures to both help middle class taxpayers and incentivize less risky behavior by big banks.

Although Clinton's plan is not as much of an overhaul as Sanders's (discussed below), it would still raise government revenue substantially. The Tax Policy Center estimated that the plan would raise revenue by \$1.1 trillion over the first decade (Auxier, Burman, Nunns and Rohaly 2016). Based on her anti-tax pledge to the middle class, Clinton's plan would affect after-tax incomes of the bottom four quintiles very little. The top quintile would see their after-tax incomes decrease by an average of \$4,527 (1.7 percent), while the top 0.1 percent would lose \$519,741 (7.6 percent) (Auxier et al. 2016). Compared to the magnitude of Republican candidates' tax *cuts*, Clinton's increases are notably small.

Unlike other candidates, Clinton's tax policy plans are not presented in a single comprehensive proposal. Her "Restoring Basic Fairness" document outlines the ways in which she would raise taxes on the wealthy and crack down on tax avoidance, but other uses of the tax code to regulate business behavior and provide tax credits to the middle class are scattered throughout other policy documents and proposals. This dynamic itself indicates that although Clinton strives to be perceived as a champion of the middle class, she is really just tinkering around the edges of the existing tax system and is fundamentally more accepting of the role of big business in American political economy (Flynn 2016; Stein 2016). A strengthened American middle class would "require reshaping entrenched political positions and convincing solid majorities of voters of the vital role of government in their lives," not just a list of proposals that add incentives and credits to the current code (Porter 2015).

To raise taxes on the rich, Clinton proposes a 4 percent surcharge on any income (including returns on investment) over \$5 million, imposing a 30 percent minimum effective rate on taxpayers with income over \$1 million, expanding the estate tax by lowering the exemption threshold and raising the maximum rate from 40 to 45 percent, and closing loopholes like the carried interest loophole used by hedge fund managers and those allowing the affluent to stash

money in tax-deferred and tax-free retirement accounts (Matthews 2016b, Clinton 2016f). These four provisions, which form the core of Clinton's "Restore Basic Fairness" plan, would only affect the top 2 percent of American taxpayers (Kurtzleben 2016). Clinton's unabashed targeting of the super-rich not only means that her plan would be unlikely to pass in a Republican congress, but it also affirms the Republican claim that the Democratic Party is the party of taxing the rich. As Matthews (2016a) notes, however, it is important to contextualize Clinton's proposals. Even Clinton's proposed 45 percent estate tax maximum rate is very low historically; 35 percent (after the Bush tax cuts) is the lowest it has ever been and it peaked at 77 percent between 1940 and 1976. Before 2001 the estate tax exemption threshold had never been above \$1.5 million except for a brief peak in 1932, so even reducing it to \$3.5 million as Clinton proposes from the current \$5.5 is not that progressive by historical standards (Matthews 2016b).

Yet Clinton's aims, even if considerably discounted by her means, are still progressive. She would use the \$400 to \$500 billion generated over 10 years by these proposals for "investments that will drive strong growth and raise the pay of middle-class families" (Clinton 2016f). Based on Clinton's other proposals, these "investments" would mostly come in the form of new and expanded tax credits and measures to regulate corporations and incentivize them to provide opportunities and increase wages for the working and middle classes. On an individual level, Clinton plans to use tax credits to assuage the costs of higher education, childcare, caring for aging or sick family members, and out-of-pocket medical expenses. To increase middle and working class access to higher education and childcare, Clinton would expand the existing American Opportunity and Child and Dependent Care credits. For health costs and caregiving, she has proposed new credits: a 20 percent credit to offset up to \$6,000 of caregiving costs and a refundable credit of up to \$2,500 (\$5,000 for families) to cover out-of-pocket healthcare costs for people who "may not benefit as much from currently available deductions" (Clinton 2016b; Clinton 2016d). The health costs credit would be available to taxpayers paying more than 5 percent of their income in out-of-pocket health costs, and the caregiver credit would start to phase

out for people making over \$120,000 (Clinton 2016g; Gleckman 2015). These eligibility criteria indicate that the credits are designed to help middle- and working-class people. On paid leave, Clinton differs from Sanders and many congressional Democrats who support the FAMILY Act, which would institute a 0.2 percent tax on both employers and employees to create a social insurance program for paid family and medical leave. Clinton does support 12 weeks of federally mandated paid leave, but she would “ensure that the plan is fully paid for by a combination of tax reforms impacting the most fortunate” (Clinton 2016g).

For businesses, Clinton would expand the New Markets and Work Opportunity credits, which benefit companies that invest in post-industrial communities and hire workers from groups facing employment barriers, respectively. Clinton has also proposed new credits to make the labor market more favorable for the middle class, including one for profit sharing and another for companies that train and hire apprentices (Clinton 2016c). Unlike many Republican presidential candidates, Clinton would not change the tax deductions available to businesses and individuals. She would, however, limit the value of deductions to 28 percent for those who itemize (Pomerleau and Schuyler 2016). This a progressive proposal because itemized deductions are one of the main ways high-income and wealthy tax payers are able to lower their effective tax rates.

In addition to using tax credits to incentivize desirable business behavior, Clinton’s plan for regulatory reform also includes a number of tax policy proposals. The “Wall Street Should Work for Main Street” plan is broad and detailed, and Clinton has been praised for having a more scrupulous approach to regulation than does Sanders (Konczal 2015; Clinton 2016e; Yglesias 2015a). Some components of the plan, like defending and strengthening the Dodd-Frank Act and increasing the federal government’s direct regulatory capacities, are beyond the scope of a study focused on tax policy, but Clinton’s proposals for Wall Street reform also use the tax code to manage banking activity. One such policy is the “risk fee” that would be assessed on financial institutions holding more than \$50 billion in assets (Clinton 2016e). The fee would be higher on



banks with greater amounts of debt and with more short-term debt, and is “designed to nudge the banking system toward institutions becoming smaller” (Yglesias 2015a).

Another regulatory tax provision in Clinton’s plan is the tax on high-frequency trades targeting order cancellations in computer trading. According to the Clinton campaign the goal of this tax would be to reduce “unfair and abusive trading,” but because the plan only taxes a very specific kind of transaction it would not raise much money (Konczal 2015). The final piece of tax policy in Clinton’s regulatory agenda is her plan to change the capital gains rates schedule. Under current law, investment income on holdings of less than one year are taxed at ordinary income rates and anything held for longer than a year is taxed at 23.8 percent. Clinton’s plan would “elongate the decline” between the income tax rates and the long-term capital gains rate (which would stay the same), effectively increasing rates on capital gains held for between two and six years. Although this proposal affects individual investors, it is designed to incentivize taxpayers to hold investments longer, thereby “reducing pressure on corporations to show near-term gains in their share price, so they could focus on making long-term investments and boost worker pay” (Meckler 2015).

All three major categories of Clinton’s tax and economic reform proposals—high-income tax increases, middle class tax credits and regulatory tax incentives—are superficially progressive but do not attempt to restructure the economy in ways that would benefit the middle and working classes. Given the tenor of Clinton’s campaign and her willingness to identify with the growth-oriented New Democrats—and the context of the likely Republican-controlled Congress in 2017—Clinton’s tax policy is likely to continue the trend of the Democratic Party’s rightward shift on economic issues. In contrast to the New Democrats of the 1990s, who scholars have widely credited with enabling Wall Street deregulation and a number of other regressive economic policies, Clinton does have a thorough proposal for regulatory reform. But the detailed nature of her plan is a better indicator of her familiarity with economic policy than of founded belief in economic regulation.

*Bernie Sanders*

In contrast to Clinton and the Republican candidates, Sanders has plans to drastically increase direct federal spending funded by tax increases across the board to both individuals and companies. Many of Sanders's policy proposals are more redistributive than anything American Democrats running for office have dared to propose in the last 30 years. Among the social democratically oriented plans Sanders has proposed are a single-payer healthcare system dubbed "Medicare for All," free public college tuition, Social Security expansion, infrastructure improvements, paid family and medical leave, and a youth jobs program (Sanders 2016b). In order to pay for these policies and programs, Sanders has proposed reforms to individual income tax, payroll tax, business income tax, estate tax, and the creation of a new financial transactions tax (Sanders 2016c; Cole and Greenberg 2016). Although Sanders does not propose as drastic a restructuring of the tax code as do many Republican candidates, his plans would raise federal revenue through taxes mostly aimed at the rich about as much as conservative plans would cut taxes on the rich and decrease revenue (Gleckman 2016). According to Tax Foundation analysis, Sanders's tax plans would raise federal revenue by \$13.6 trillion over 10 years. When accounting for predicted slowed economic growth induced by the plan, however, it would only end up raising \$9.88 trillion (Cole and Greenberg 2016).

Sanders's plans for individual income tax reform are one of the sharpest points of contrast to Clinton's stance on taxation and funding for federal programs. As a social democrat, Sanders believes that social insurance programs that benefit all members of society should be paid for by all members of society, unlike Clinton who has promised not to raise taxes on anyone with income under \$250,000. While the current top marginal tax rate for individuals is 39.6 percent, the Sanders would create four new bracket rates: 37 percent, 43 percent, 48 percent, and 52 percent (Sanders 2016b; Matthews 2016a). In addition to these increased rates for higher-earning Americans, the Sanders plan would levy a 2.2 percent "income-based premium" to help pay for his proposed single-payer health insurance system. Other individual income tax

provisions that would help fund Medicare for All are Sanders's plans to tax capital gains and dividends at the same rate as wage income for those making over \$250,000 and, like Clinton, limit savings from itemized deductions to 28 cents for every dollar claimed (Sanders 2016b; Sammartino, Burman, Nunns, Rosenberg and Rohaly 2016). His increases on capital gains rates for wealthy Americans are some of the most dramatic changes to the individual tax code: The top marginal rate would increase from 24.1 to 62 percent (Sammartino et al. 2016). While Sanders's overall plans are distinct from Clinton's in that they raise taxes for everyone, the capital gains tax is one example of policy that specifically targets the rich.

Sanders's estate tax proposal offers yet another example of how he plans to reform the tax code to reduce economic inequality. Like Clinton, Sanders would lower the exemption threshold from the current \$5.5 million to \$3.5 million. Sanders's plan would also establish a "new progressive estate tax rate structure," with 45, 50 and 55 percent rates depending on the size of the estate and a 10 percent billionaire's surtax making the top rate 65 percent (Sanders 2016c). Even with the lowered threshold, the estate tax would only affect the wealthiest 0.3 percent of Americans.

Beyond changes to the individual income tax code, Sanders would make changes to the payroll tax to fund his proposals. In addition to the 2.2 percent income tax premium mentioned above, employers would pay a 6.2 percent payroll tax on employee's income as contribution to the single-payer health care system (Sanders 2016b; Sanders 2016d). Sanders also supports the FAMILY Act that Senator Kirsten Gillibrand and Representative Rosa DeLauro have introduced in Congress (Cole and Greenberg 2016; Sanders 2016b). Lastly, Sanders would reform the payroll tax that funds Social Security to make it more progressive by lifting the current \$118,500 cap on taxable income. In his plan to "Strengthen and Expand Social Security," Sanders calls out Republicans for distorting information about the financial sustainability of Social Security and explains how his proposals would fund Social Security for the next 50 years and expand revenue enough to increase benefits and cost of living adjustments (Sanders 2016e).

Sanders's proposals to reform to the corporate tax code are another point of departure from both Clinton and the Republican candidates. Sanders would repeal the tax subsidies benefiting fossil fuel corporations and institute a tax on carbon pollution (Sanders 2016a). Additionally, many of Sanders's corporate tax reform proposals are centered on reducing tax avoidance by closing loopholes exploited by international corporations (Sanders 2016c). The Sanders campaign is proposing to "end the rule allowing American corporations to defer paying federal income tax" on income made overseas until that money is brought back to the U.S. (Sanders 2016c). At the same time, Sanders would reform the law to prevent companies from claiming foreign tax credits to offset foreign income that isn't actually subject to U.S. taxes. Finally, Sanders's plan also says he would prevent corporate inversions and stop the practice of companies claiming to be foreign and avoiding taxes by establishing post office boxes abroad.

While Sanders favors large direct measures and legislative reform to regulate the financial industry and break up banks that are "too big to fail," his proposals also embrace the use of taxation as a regulatory tool. Sanders has proposed a financial transactions tax that would be levied on financial institutions (not individual investors) at rates of 0.5 percent for stocks, 0.1 percent for bonds and 0.005 percent for derivatives (Sanders 2106c). While his plan is not as detailed as Clinton's, his campaign rhetoric about the financial industry and wealth and income inequality suggest an approach to regulation that fundamentally changes the role big banks play in American economy and politics.

## ANALYSIS

### *Clinton and Rubio on Tax Credits*

Clinton and Rubio are the two candidates whose tax proposals include the most credits. Given that tax credits, and expenditures in general, have historically been a successful bipartisan policy tool, it makes sense that the two more moderate candidates have included them in their proposals. Yet tax credits themselves are not definitively liberal or conservative; their impact

depends on how they are used. As mentioned above, they are often enacted as alternatives to direct spending programs, as targeted aid to specific groups of citizens, as private-sector subsidies and as plain old tax breaks (Howard 1997). Traditionally, Democrats have favored the former two uses and Republicans the latter. Clinton and Rubio's credit proposals support this narrative upon initial comparison. Rubio's paid leave credit plainly uses the tax code to incentivize socially desirable behavior by businesses. His child tax credit is designed to provide a "meaningful incentive to work" for low-income families by reducing their tax burden (Rubio 2016a). Clinton's new medical expenses and family caregiving credits, along with her plan to expand the dependent care credit, are easily defensible as politically feasible alternatives to direct spending that would accomplish similar goals.

Even though Rubio and Clinton's credits appear to vary typically by partisan ideology, closer examination reveals that they function strikingly similarly. That the Republican and Democratic parties are commonly understood as polar opposites means that politicians' proposals are held to different standards and analyzed in different contexts. As Theda Skocpol recently commented in an interview with Ezra Klein, "tax plans tend to get reported on in the terms the candidates themselves prefer" (Klein 2016). In interpreting policy implications for shaping political economy and the role of government in people's lives, it is thus necessary to account for the differential contexts in which the plans are proposed. From this perspective, it becomes clear that the underlying ideologies of Rubio and Clinton's proposals are the same. Both candidates use tax credits as a kind of insulator between capitalist economic forces and the people who are most disadvantaged by them, without proposing to change the system's structure in ways that would prevent economic inequality from becoming so stark in first place. Clinton is reviled by liberal Democrats for this exact reason: She's too complacent. Rubio is also criticized from within his own party by conservative economic purists who deny that poverty and inequality need be acknowledged at all.

As discussed above, tax credits have been the primary way liberal Democrats have been able to preserve the semblance of a welfare state in the last 35 years. From a social democratic standpoint, however, tax credits are a huge compromise, and a consequential one. Even though credits like the ones Rubio and Clinton propose are types of short-term welfare state expansion, they enable long-term retrenchment by delegitimizing direct government programs and allowing even Democrats to run on anti-tax rhetoric, as Clinton has been doing. Clinton and Rubio's tax credit strategy relieves some of the strain caused by proletarianization: Fewer and fewer people can actually afford a middle class lifestyle, but with the help of tax credits their economic marginalization is a little bit more bearable. In the long run, Rubio's cause would benefit from such credits because their numbing effect legitimizes conservative economic theory and its adoption by workers themselves. For Clinton, the effect is the opposite. By distancing workers from the socioeconomic forces they are subject to, Clinton's approach erodes the traction of progressive economics. Clinton's adoption of tax-focused economic policy is toxic to broader progressive goals and shifts the parameters of the discussion on the role of the government in shaping the economy and providing public goods and services.

In addition to the variance in ideological consequences of Clinton and Rubio's credits based on their partisan contexts, the policies would likely fare differently in Congress despite their underlying similarities. Based on the research showing that Democrats have often supported Republican economic policy (but not vice versa), Rubio's credits would be more likely to pass. Even though Clinton's credits wouldn't carry the stigma of direct government spending, on a superficial level they do appear to function like social benefits, giving them a notable disadvantage in today's political climate.

#### *Clinton and Sanders on Paid Leave and Funding Social Policy*

The differences between Clinton and Sanders's paid leave plans offers another point of comparison that illuminates ideological differences between the candidates and, in this case, tension within the Democratic Party. Clinton and Sanders both support replacing the 1993 Family

and Medical Leave Act (FMLA), which is now outdated and makes the U.S. the only developed nation that doesn't guarantee some form of paid leave. While Sanders supports the FAMILY Act, Clinton does not because its small payroll tax increase would violate her promise not to raise taxes on the middle class. One of the main points of Clinton's campaign is that she has been a long-standing champion of women and children, yet she doesn't support the current most progressive approach to establish paid family leave. On the other hand, Sanders embraces the social insurance approach to paid leave that Sen. Kirsten Gillibrand and Rep. Rosa DeLauro are currently sponsoring in Congress.

Both candidates agree categorically that the government should provide public goods and therefore should mandate that employers offer 12 weeks of paid leave. Where they differ is in how paid leave should be funded. In contrast to Sanders' support of the FAMILY Act, Clinton's tax-the-rich approach brings up two questions. First, can and should taxes on the rich be the primary funding stream for welfare state policy that supports the middle and working classes? Critiquing unfunded Republican tax cuts as well as Clinton's approach, one *National Review* writer commented that Democrats'—specifically Clinton's—belief that the economy can survive continued taxation and spending without contribution from the middle class “goes beyond bad math and enters the realm of pure fantasy” (Tanner 2015b). Matthew Yglesias (2015b) of *Vox* points out that the most successful social policies and programs benefit a broad range of people and are paid for by the whole population. Democrats have, at least in theory, supported such social insurance programs as Medicare and Social Security since the days of FDR.

This brings us to the second question: What does it mean that the Democratic frontrunner is running on a platform of “no new taxes” akin to the Bush campaign of 1988? As Sanders pointed out in one of the Democratic primary debates, Clinton is “disagreeing with FDR on social security, LBJ on Medicare, and with the vast majority of progressive Democrats in the House and Senate,” referring to Clinton's lack of support for the FAMILY Act (Flynn 2016). Paid leave is just one example of Clinton's tendency toward indirect social policy that consequently loosens

the public's knowledge of and trust in broad, direct spending programs. The argument that such an approach is a political necessity suggests "intellectual bankruptcy in contemporary American liberalism" (Yglesias 2015b). Like Obama before her (who also vowed not to raise taxes on the middle class), Clinton is essentially telling Americans that government programs aren't worth paying for.

Clinton's adoption of anti-tax rhetoric means that she is subscribing to the Republican terms of the debate and raises the question of whether she is fundamentally conservative or progressive. Perhaps more so than the New Democrats of the 1990s—who deregulated the economy and passed welfare reform that hurt the poor—Clinton thinks government should help working Americans. But her ideas about how fund such activities betray a basic acceptance of American capitalism as it is. The headline of the Clinton campaign's economy page reads "A plan to raise American incomes," but her strategy to do so is primarily founded on tax relief for the middle class and tax increases for corporations and the wealthy.<sup>3</sup> Not only does this seem like a centrist Democrat's spin on trickle-down economics, but it also indicates Clinton's rejection of the notion that government can directly affect income distribution and economic inequality. Clinton's recognition of economic inequality serves as a campaign strategy in itself, but she doesn't actually believe that government should change the rules of the game.

Regardless of how likely Sanders is to beat Clinton, his role in the 2016 Democratic primaries has been to provide a liberal progressive point of contrast to Clinton, who represents continuing rightward creep of the Democratic Party's economic politics. Sanders might not be an actual member of the Democratic Party, but his is the first truly progressive candidacy the party has seen since Walter Mondale ran in 1984. He has made progressive economics relevant to mainstream politics in a way that no one has since the New Democrats took control of the party after Mondale's landslide loss to Reagan. Even if Sanders loses to Clinton, his campaign has

---

<sup>3</sup> Even though Clinton does have a substantial infrastructure investment plan, her tax policy rhetoric has been much more central to her campaign.



already debunked the conventional wisdom that centrist policies are the only way a Democrat can win popular support.<sup>4</sup> Clinton carries the legacy of being a pragmatic choice for Democrats, but Sanders is recasting her realism in a light of complacency—or even complicity—on matters of economic inequality.

### *Ideological Approaches to Regulation*

Regulation is yet another issue on which the 2016 presidential candidates' stances offer insight into defining ideological questions of American political economy. Although Clinton and Sanders are the only two candidates whose tax plans include proposals for regulation, their contrast to Cruz and Rubio's positions—and to each other—indicates deeply different beliefs about the ideal relationship between state and economy. On one end of the spectrum, Sanders's proposals to directly break up the biggest banks and tax the profitability of financial trading demonstrate his desire to invest much more power in the state than has traditionally existed in the U.S. Sanders also favors direct legislative measures like a reinstatement of the 1933 Glass-Steagall Act, the law that regulated the separation of commercial and investment banking and the repeal of which was one of the most significant deregulatory measures of the 1990s (Hacker and Pierson 2010). On the other end of the spectrum, Rubio's National Regulatory Budget and Cruz's Five for Freedom and Grace Commission 2.0 plans represent the inverse of Sanders's regulatory plans: the private sector dictating the capacities of government. Clinton's regulation policy falls somewhere between these two poles. Her proposals don't fundamentally challenge the power wielded by the financial sector as much as they focus on regulating risk-taking in the existing system.

As Sanders would have it, the state would do more to structure the economy by reducing the power of the largest financial institutions. Sanders is essentially proposing that the U.S. depart from the liberal welfare state model in favor of social democracy. It's not an easy sell. Even

---

<sup>4</sup> At the time of this writing (March 9, 2016), Sanders had won 8 primaries to Clinton's 12.

though Americans do support many social policy objectives, Sanders is not just asking Americans to reflect on the supportive role government plays through existing programs. More than that, he is challenging American cultural identity by proposing that all citizens should have access to universal social programs regardless of individual achievement. Despite varying political and economic beliefs within the country, American cultural individualism makes Sanders's goals for political revolution difficult to realize on a national level.

The Republican candidates' positions on economic regulation are also radical but are not as much of a departure from the current system as are Sanders's. Even though the New Deal vested significant regulatory capacities in the federal government, the trend since then has been to gradually abandon state oversight of economic forces (Hacker and Pierson 2010). Rubio and Cruz's proposals to impose concrete limits on economic regulation, although mostly unprecedented, are not a far cry from the implicit dynamic between the state and the economy that has been enabled by 35 years of drift in economic policy.

Sanders, Cruz and Rubio's proposals for economic regulation all embrace the power that government has to structure the economy, but in different ways. Even though Cruz and Rubio both espouse small-government ideals and goals to "rein in Washington," their plans actually propose just as active a state as does Sanders's, only in the opposite direction. Cruz and Rubio's plans are the embodiment of Soss et al.'s description of neoliberalism. The Republican plans for deregulation use the presidency as a means to strengthen the relative power of capitalism over the state. Given the context of electoral politics, they do this by capitalizing on Americans' conceptions of individual autonomy, strategically glossing over the structural implications of such an approach for meritocratic achievement. Clinton is the only candidate whose proposals for regulation do not alter the foundations of the relationship between state and economy. However detailed her plan for risk management may be, her use of taxation and other indirect means signals a lack of progressive ideological goals for American political economy.

### *Cruz and Sanders on Capitalism and Inequality*

Conceptualization of inequality is a final lens through which to compare candidates that reveals the ideological dynamics of American politics. Specifically, the differences between Cruz's and Sanders's tax plans make the contrast between progressive and conservative worldviews particularly clear. Not only do the two candidates' plans have dramatic substantive differences, but they also frame issues of economic inequality in completely different ways. This is evident in two ways. Where Cruz's plan represents a shift towards a consumption-based tax system, Sanders's makes the income tax more progressive and significantly increases the taxation of wealth. Secondly, where Cruz supports privatization and diminishment of welfare state functions, Sanders advocates for the expansion and creation of broad social insurance-type programs. Both of these points are related to divergence between conservative preference for economic growth and progressive prioritization of redistribution.

The first point of comparison is a question of the tax base. Cruz's proposed income and business flat taxes (and elimination of payroll tax) are not just huge tax rate cuts; they change the basic source of taxation from income and wealth to consumption. As discussed above, consumption taxes are regressive because low-income people spend a much higher proportion of their earnings on necessary consumption. Conservatives like Cruz support consumption taxes on the basis that they remove disincentives to save and invest, activities which are primary drivers of economic growth. Because conservatives believe in the efficiency of markets as the most valid way to structure society, economic growth is the underlying goal of policies like Cruz's. Sanders's approach is the antithesis to the conservative narrative. His proposals for the addition of higher income tax brackets, payroll tax increases, and dramatically increased capital gains rates reflect his belief in taxation as a tool for redistribution—a way to counter the wealth accumulation that capitalism produces. For Cruz, taxation is a tool to facilitate free markets. For Sanders, it reverses free market forces.

The difference between the two candidates' respective worldviews and uses of taxation stems from their contrasting theoretical approaches to economic inequality. The conservative narrative holds that economic inequality and poverty are natural byproducts of the market economy, but are temporary if the market is truly unrestrained by the state. The view adheres to the economic logic proposed by Adam Smith (1776) in the eighteenth century. Applying the laws of supply and demand to the labor market, Smith supposed that wages would reach equilibrium at a point that was beneficial to both workers and their employers. By this understanding, state intervention artificially maintains a labor surplus and thus depresses wages. While taxes are necessary for government to function, consumption taxes are the most market-friendly way to raise revenue. The progressive ideology, on the other hand, is founded in Marxism. According to Marx ([1867] 1977), mechanization and the capitalist trend towards productivity would always outpace the labor supply, meaning that there would always be a labor surplus and wage "equilibrium" would always be unlivable. From this standpoint, state intervention through policies like minimum wage and welfare programs are necessary to prevent workers from falling into destitution.

Beyond just what is being taxed, Cruz's and Sander's plans exemplify the difference between worldviews in how and whether they provide services to the public. Sanders's proposals for single payer healthcare, Social Security expansion, publicly funded paid leave, and free public college tuition are all examples of the government providing direct services to decommodify labor. In accordance with the conservative economic worldview, the Cruz plan contains no proposals for new or expanded public services. Cruz's push towards a consumption-based tax system and welfare state privatization (through USAs and Social Security reform) are attempts to remove state intervention from the labor market. In Cruz's view, only when markets are actually free from state influence does the mechanism of supply and demand enable the alleviation of poverty.

## CONCLUSION

The goal of this thesis has essentially been to explore and understand the variation among the tax policy proposals of 2016 presidential candidates on three levels: the details and rhetoric of the policies themselves, the realities they insinuate, and the worldviews they represent. By and large, the four candidates I have studied fit predictably within the tax policy and general political and economic trends of the last three decades. Although the presences of Trump and Sanders perpetuate the notion that this election cycle is unlike anything we have ever seen before, most of what these four candidates have proposed only provides further evidence of scholars' conclusions about ideological shift and welfare state retrenchment.

Of the four candidates in this study, Cruz and Rubio's policy proposals are the most consistent with the literature on shifting ideological representation. Much coverage of the election cycle so far—from liberal, conservative, and non-partisan news outlets—has treated Cruz and Rubio's radical conservatism with an alarmist tone. While their tax plans are indeed radical, their desires to shift towards a consumption-based tax system and cut taxes for the rich and corporations are not unprecedented. These plans are symptomatic of Republicans' decreasing representation of the public's political preferences, but this is not a new phenomenon.

Analysis of Clinton's tax plans suggests she is more economically conservative than progressive. Her similarities to Rubio on tax credits and her differences to Sanders on funding social programs are evidence of this. Initially, this analysis of Clinton leads to the conclusion that she's more of a Republican than a Democrat. The problem with that analysis is that it assumes the Democratic Party is economically progressive, and it is not. Based on the DNC's official economic platform, which cites government fiscal responsibility, tax relief to working families, and tax reforms to "help workers save for retirement" as ways to ensure economic security for the masses, Hillary Clinton represents the party well (Democratic National Committee 2016). Of course, progressive members within the Democratic Party exist, but neither the party itself nor its leaders have shown real support for redistributive economics in the last 30 years. Just as

Republican politicians are ideologically further right than Republican voters, this analysis suggests that the Democratic Party might also be further right than the average Democrat.

What this all means is that there is no major party in the U.S. that functions with intentions to reduce structural inequality and poverty. The New Democrat identity might be slightly less recognizable in Clinton than it was in her 1980s and 1990s predecessors, but at the core her politics are the manifestation of the trends they began. In contrast, Sanders is injecting progressive economic theory back into political discourse by running as a Democrat, but he himself has been an Independent for most of his political career. Unlike Cruz, Rubio and Clinton, Sanders's emergence does not represent the continuation of an existing trend in American politics, but it could be the start of a new one. His candidacy (and his blunt anti-capitalist language) represent the surfacing of directed class indignation that has been absent from mainstream politics in recent decades. Trump's candidacy is also fueled by class indignation, although his xenophobic and racist subtexts redirect class consciousness in favor of the Republican Party.

While the candidates' differences are very clear, none of them is ideologically pure, and nor are ideologies perfectly represented by political parties. Cruz's plan, for example, maintains the EITC and CTC and still taxes capital gains (albeit at very low rates), provisions that interfere with free market operation. From a progressive standpoint, Sanders is limited in that he talks more about broad inequality and corruption than he does about poverty and those who are most harshly affected by capitalist economic marginalization. Rubio and Clinton are more obvious examples of deviation from ideological poles, but Rubio is further away from the center than Clinton. This dynamic is further evidence of the lopsided American political landscape: Near pure versions of conservative ideology are much better represented—and widely accepted—than pure progressivism (i.e. socialism).

The U.S. is, after all, a liberal welfare state. But it is also a democracy, and recent trends away from equal political representation and public understanding of economic policy reveal that

democratic principles are in jeopardy. As a researcher, it is not my job to say whether capitalist or democratic principles *should* be better represented by the state. But if the U.S. is going to call itself a democracy at all, people need to be able to understand the way policy affects reality.

This study is limited in its ability to explain the mechanisms underlying political ideology and tax policy, but its aims must be continued. Political scientists have widely studied trends in ideological polarization and welfare state retrenchment, but more work needs to be done by sociologists to uncover how the implications of such shifts might disproportionately affect people who are marginalized on bases other than class, like gender minorities and people of color. Other future research should also investigate the relationship between presidential candidates' campaign proposals and the laws that they propose and enact once elected. Lastly, future studies might quantitatively examine the disparity between liberal and democratic principles, public opinion of policy, and representation by the Democratic Party using methods similar to Bartels and Hacker and Pierson's studies of the Bush tax cuts (Bartels 2005; Hacker and Pierson 2005a).

All of these approaches offer further ways to explore the variation in political forces affecting American democracy. Variation among politicians' rhetoric, policies and worldviews matters because the differences translate into real disparities in people's lives. The current system lacks a mechanism for public comprehension of policy and systematically disadvantages and excludes certain groups. By identifying and delineating the functioning of anti-democratic trends in American politics and economics, this research and other such projects—both academic and otherwise—can contribute to informing average citizens and making American society more equitable.

## REFERENCES

- Aron, Raymond. 1965. *Main Currents in Sociological Thought Vol. 1*. New York: Basic Books, Inc.
- Auxier, Richard, Len Burman, Jim Nunns, and Jeff Rohaly. 2016. *An Analysis of Hillary Clinton's Tax Proposals*. Tax Policy Center. Washington, DC: Urban Institute and Brookings Institution. Retrieved March 5, 2016

(<http://taxpolicycenter.org/UploadedPDF/2000638-an-analysis-of-hillary-clintons-tax-proposals.pdf>).

- Ball, Molly. 2016. "Ted Cruz's Revolution." *The Atlantic*, January 25. Retrieved February 24, 2016 (<http://www.theatlantic.com/politics/archive/2016/01/ted-cruz-revolution/426759/>).
- Bartels, Larry M. 2005. "Homer Gets a Tax Cut: Inequality and Public Policy in the American Mind." *Perspectives on Politics* 3(1): 15-31.
- Bartels, Larry M. 2008. "Unequal Democracy: The Political Economy of the New Gilded Age." New York: Russel Sage Foundation.
- Bernstein, Jared. 2015. "Tilts in the tax code: Pictures of regressive deductions." *The Washington Post*, July 30. Retrieved March 2, 2016 (<https://www.washingtonpost.com/posteverything/wp/2015/07/30/tilts-in-the-tax-code-pictures-of-regressive-deductions/>).
- Burman, Len. 2015. "Hillary Clinton's Off-the-Mark Proposal to Encourage More Patient Investors." *Tax Policy Center*, July 28. Retrieved February 29, 2016 (<http://taxvox.taxpolicycenter.org/2015/07/28/hillary-clintons-off-the-mark-proposal-to-encourage-more-patient-investors/>).
- Burman, Len. 2016a. "Ted Cruz's Business Flat Tax is a VAT." *Tax Policy Center*, January 15. Retrieved February 24, 2016 (<http://election2016.taxpolicycenter.org/2016/01/15/ted-cruzs-business-flat-tax-is-a-vat/>).
- Burman, Len. 2016b. "The GOP Proposed Tax Cuts Would Be Unprecedented." *Tax Policy Center*, February 19. Retrieved February 24, 2016 (<http://taxvox.taxpolicycenter.org/2016/02/19/the-gop-proposed-tax-cuts-would-be-unprecedented/>).
- Butler, Stuart, and Peter Germanis. 1983. "Achieving a 'Leninist' Strategy." *Cato Journal* 3(2): 547-556.
- Calmes, Jackie. 2016. "Analysts Question Viability of Deep Tax Cuts Proposed by Republican Candidates." *The New York Times*, February 22. Retrieved February 24, 2016 (<http://www.nytimes.com/2016/02/23/us/politics/analysts-question-viability-of-deep-tax-cuts-proposed-by-republican-candidates.html>).
- Citizens for Tax Justice. 2009. "The Bush Tax Cuts Cost Two and a Half Times as Much as the House Democrats' Health Care Proposal."
- Clinton, Hillary. 2016a. "Clinton Campaign Statement On Protecting Middle-Class Families from Tax Hikes." New York, NY: Hillary for America. Retrieved February 26, 2016 (<https://www.hillaryclinton.com/briefing/statements/2015/11/14/clinton-campaign-on-protecting-middle-class-from-tax-hikes/>).
- Clinton, Hillary. 2016b. "Hillary Clinton's Plan for Lowering Out-of-Pocket Health Care Costs." New York, NY: Hillary for America. Retrieved February 29, 2016 (<https://www.hillaryclinton.com/briefing/factsheets/2015/09/23/clinton-plan-to-lower-out-of-pocket-health-care-costs/>).



- Clinton, Hillary. 2016c. "Hillary Clinton's Plan to Break Free from The Tyranny of Today's Earnings Report and Encourage Long-Term Growth." New York, NY: Hillary for America. Retrieved February 28, 2016 (<https://www.hillaryclinton.com/briefing/factsheets/2015/07/24/encourage-long-term-growth/>).
- Clinton, Hillary. 2016d. "Hillary Clinton's Plan to Invest in the Caring Economy: Recognizing the Value of Family Caregivers and Home Care Workers." New York, NY: Hillary for America. Retrieved February 29, 2016 (<https://www.hillaryclinton.com/briefing/factsheets/2015/11/22/caring-economy/>).
- Clinton, Hillary. 2016e. "Hillary Clinton: Wall Street Should Work for Main Street." New York, NY: Hillary for America. Retrieved February 29, 2016 (<https://www.hillaryclinton.com/briefing/factsheets/2015/10/08/wall-street-work-for-main-street/>).
- Clinton, Hillary. 2016f. "Investing in America by Restoring Basic Fairness to Our Tax Code." New York, NY: Hillary for America. Retrieved February 20, 2016 (<https://www.hillaryclinton.com/briefing/factsheets/2016/01/12/investing-in-america-by-restoring-basic-fairness-to-our-tax-code/>).
- Clinton, Hillary. 2016g. "Paid family and medical leave." New York, NY: Hillary for America. Retrieved March 2, 2016 (<https://www.hillaryclinton.com/issues/paid-leave/>).
- Cole, Alan. 2015a. "Ted Cruz's 'Business Flat Tax:' A Primer." *Tax Foundation*, October 29. Retrieved February 24, 2016 (<http://taxfoundation.org/blog/ted-cruz-s-business-flat-tax-primer>).
- Cole, Alan. 2015b. "The Details of Hillary Clinton's Capital Gains Tax Proposal." *Tax Foundation*, July 28. Retrieved February 29, 2016 (<http://taxfoundation.org/blog/details-hillary-clinton-s-capital-gains-tax-proposal>).
- Cole, Alan, and Scott Greenberg. 2016. *Fiscal Fact No. 498: Details and Analysis of Senator Bernie Sanders's Tax Plan*. Tax Foundation. Washington, DC: Tax Foundation. Retrieved February 29, 2016 (<http://taxfoundation.org/sites/taxfoundation.org/files/docs/TaxFoundation-FF498.pdf>).
- Cruz, Ted. 2015a. "A Simple Flat Tax for Economic Growth." *The Wall Street Journal*, October 28. Retrieved February 24, 2016 (<http://www.wsj.com/articles/a-simple-flat-tax-for-economic-growth-1446076134>).
- Cruz, Ted. 2015b. "Five for Freedom." *National Review*, November 10. Retrieved March 2, 2016 (<http://www.nationalreview.com/article/426886/ted-cruz-five-freedom>).
- Cruz, Ted. 2016a. "Five for Freedom." Houston, TX: Cruz for President. Retrieved March 7, 2016 (<https://www.tedcruz.org/five-for-freedom/>).
- Cruz, Ted. 2016b. "Rein in Washington." Houston, TX: Cruz for President. Retrieved March 7, 2016 (<https://www.tedcruz.org/issues/rein-in-washington/>).

- Cruz, Ted. 2016c. "Senator Ted Cruz in Milford, New Hampshire." *C-Span*, January 17. Retrieved February 27, 2016 (<http://www.c-span.org/video/?403295-1/ted-cruz-meetandgreet-milford-new-hampshire>).
- Cruz, Ted. 2016d. "The Simple Flat Tax Plan." Houston, TX: Cruz for President. Retrieved February 24, 2016 ([https://www.tedcruz.org/tax\\_plan/](https://www.tedcruz.org/tax_plan/)).
- Democratic National Committee. 2016. "Jobs and the Economy." Washington, DC: Democratic National Committee. Retrieved March 9, 2016 (<https://www.democrats.org/issues/jobs-and-the-economy>).
- Dreier, Peter. 2007. "The United States in Comparative Perspective." *Contexts* 6(3): 38-46.
- Dubay, Curtis S. 2013. "The Bush Tax Cuts Explained: Where Are They Now?" *The Heritage Foundation*, Issue Brief #3855 on Taxes, February 20. Retrieved March 6, 2016 (<http://www.heritage.org/research/reports/2013/02/bush-tax-cuts-explained-facts-costs-tax-rates-charts>).
- Esping-Andersen, Gosta. 1990. "The three political economies of the welfare state." *International Journal of Sociology* 20(3): 92-123.
- Flynn, Andrea. 2015. "A GOP-Style Approach to Parental Leave." *The Atlantic*, October 7. Retrieved March 3, 2016 (<http://www.theatlantic.com/business/archive/2015/10/rubio-parental-leave/409285/>).
- Flynn, Andrea. 2016. "The Great Clinton-Sanders Tax Divide." *The Atlantic*, January 10. Retrieved February 26, 2016 (<http://www.theatlantic.com/business/archive/2016/01/the-great-clinton-sanders-tax-divide/423318/>).
- Fox Business. 2015. "FBN/WSJ GOP debate part 6." *YouTube*, November 10, 2015. Retrieved February 27, 2016 (<https://www.youtube.com/watch?v=N5ZqrsyeCxM&start=695>).
- Gleckman, Howard. 2015. "Clinton's Caregiver Credit Adds To Her List of Tax Breaks, Sharpens Her Contrast With The GOP." *Tax Policy Center*, November 23. Retrieved March 4, 2016 (<http://taxvox.taxpolicycenter.org/2015/11/23/clintons-caregiver-credit-adds-to-her-list-of-tax-breaks-sharpens-her-contrast-with-the-gop/>).
- Gleckman, Howard. 2016. "Bernie Sanders is Proposing Really Big Tax Increases." *Tax Policy Center*, January 19. Retrieved February 29, 2016 (<http://taxvox.taxpolicycenter.org/2016/01/19/bernie-sanders-is-proposing-really-big-tax-increases/>).
- Hacker, Jacob S. 2004. "Privatizing Risk without Privatizing the Welfare State: The Hidden Politics of Social Policy Retrenchment in the United States." *American Political Science Review* 98(2): 243-260.
- Hacker, Jacob S., and Paul Pierson. 2005a. "Abandoning the Middle: The Bush Tax Cuts and the Limits of Democratic Control." *Perspectives on Politics* 3(1): 33-53.
- Hacker, Jacob S., and Paul Pierson. 2005b. *Off Center: The Republican Revolution and the Erosion of American Democracy*. New Haven, CT: Yale University Press.

- Hacker, Jacob S., and Paul Pierson. 2010. *Winner-Take-All Politics: How Washington Made the Rich Richer--And Turned Its Back on the Middle Class*. New York: Simon and Schuster.
- Howard, Christopher. 1997. *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States*. Princeton, NJ: Princeton University Press.
- Howard, Christopher. 2007. *The Welfare State Nobody Knows: Debunking Myths about U.S. Social Policy*. Princeton, NJ: Princeton University Press.
- Konczal, Mike. 2015. "Critics say Hillary Clinton is pro-Wall Street. Her Wall Street reform plan says otherwise." *Vox*, October 8. Retrieved February 29, 2016 (<http://www.vox.com/2015/10/8/9482521/hillary-clinton-financial-reform>).
- Klein, Ezra. 2016. "Theda Skocpol on how political scientists think differently about politics." *The Ezra Klein Show* Podcast. Retrieved March 1, 2016 (<https://itunes.apple.com/us/podcast/the-ezra-klein-show/id1081584611?mt=2#episodeGuid=255d23fe-df03-11e5-9c32-2b48cadfebef>).
- Krugman, Paul. 2003. "The Tax Cut Con." *Nytimes.com*, September 14. Retrieved February 16, 2016 (<http://www.nytimes.com/2003/09/14/magazine/the-tax-cut-con.html?pagewanted=all>).
- Kurtzleben, Danielle. 2015. "7 Questions about block grants." *Vox*, July 25. Retrieved March 2, 2016 (<http://www.vox.com/2014/7/25/5930699/block-grants-explained>).
- Kurtzleben, Danielle. 2016. "Clinton Would Raise Taxes On The Wealthy. Here's What You Need To Know." *NPR*, January 13. Retrieved February 26, 2016 (<http://www.npr.org/2016/01/13/462944798/hillary-clinton-s-new-tax-proposal-likely-wont-affect-you>).
- Lind, Dara. 2015. "Rubio is trying to innovate on taxes without upsetting GOP orthodoxy." *Vox*, August 9. Retrieved February 25, 2016 (<http://www.vox.com/cards/marco-rubio-issues-policies/marco-rubio-taxes>).
- Maag, Elaine, Robertson Williams, Jeff Rohaly, and Jim Nunns. 2016. *An Analysis of Marco Rubio's Tax Plan*. Tax Policy Center. Washington, DC: Urban Institute and Brookings Institution. Retrieved February 25, 2016 (<http://www.taxpolicycenter.org/UploadedPDF/2000606-an-analysis-of-marco-rubios-tax-plan.pdf>).
- Marsh, Bill. 2012. "Who Gains Most From Tax Breaks." *The New York Times*, April 13. Retrieved February 10, 2016 (<http://www.nytimes.com/imagepages/2012/04/13/opinion/sunday/0415web-leonhardt2.html>).
- Marx, Karl. [1867] 1977. *Capital: A Critique of Political Economy*. Translated by Ben Fowkes. Reprint, New York: Vintage Books.

- Matthews, Dylan. 2015a. "Marco Rubio and Mike Lee's tax plan is dividing conservatives. Here's why." *Vox*, August 7. Retrieved February 26, 2016 (<http://www.vox.com/2015/3/17/8226915/rubio-lee-tax-plan>).
- Matthews, Dylan. 2015b. "Ted Cruz's tax plan is the most irresponsible Republican tax cut yet." *Vox*, October 28. Retrieved February 24, 2016 (<http://www.vox.com/2015/10/28/9633134/ted-cruz-tax-plan>).
- Matthews, Dylan. 2016a. "Here's what the tax code would look like if Bernie Sanders got everything he wanted." *Vox*, January 22. Retrieved February 29, 2016 (<http://www.vox.com/2016/1/22/10814798/bernie-sanders-tax-rates>).
- Matthews, Dylan. 2016b. "Hillary Clinton's estate tax plan leaves rates way lower than they were in Bill's day." *Vox*, January 13. Retrieved February 26, 2016 (<http://www.vox.com/2016/1/13/10758008/hillary-clinton-estate-tax>).
- Matthews, Dylan. 2016c. "Study: Marco Rubio's tax plan would increase the deficit by \$8.2 trillion." *Vox*, February 11. Retrieved February 25, 2016 (<http://www.vox.com/2016/2/11/10967152/marco-rubio-tax-policy-center>).
- Matthews, Dylan. 2016d. "Ted Cruz has the biggest, most radical, most rich-person-friendly tax plan yet." *Vox*, February 16. Retrieved February 24, 2016 (<http://www.vox.com/2016/2/16/11019986/ted-cruz-tax-policy-center>).
- Matthews, Dylan, and Javier Zarracina. 2016. "The huge Republican tax cut plans, in 4 charts." *Vox*, February 25. Retrieved February 26, 2016 (<http://www.vox.com/2016/2/25/11109160/donald-trump-marco-rubio-tax-comparison>).
- Meckler, Laura. 2015. "Hillary Clinton Proposes Sharp Rise in Some Capital-Gains Tax Rates." *The Wall Street Journal*, July 24. Retrieved February 29, 2016 (<http://www.wsj.com/articles/clinton-to-propose-rise-in-capital-gains-taxes-on-short-term-investments-1437747732>).
- Mettler, Suzanne. 2011. *The Submerged State: How Invisible Government Policies Undermine American Democracy*. Chicago: University of Chicago Press.
- National Review. 2016. "Ted Cruz's Tax Plan Has Merit—He Should Modify it, for Transparency." *The National Review*, January 13. Retrieved February 24, 2016 (<http://www.nationalreview.com/article/429664/ted-cruzs-tax-plan-he-should-modify-it-transparency>).
- Nelson, Libby. 2015. "Ted Cruz wants to close the Education Department. Here's what could actually happen." *Vox*, November 12. Retrieved March 2, 2016 (<http://www.vox.com/2015/4/7/8356979/rand-paul-education-department>).
- Page, Benjamin I., and Lawrence R. Jacobs. 2009. *Class War? What Americans Really Think about Economic Inequality*. Chicago: University of Chicago Press.
- Pierson, Paul. 1993. "When Effect Becomes Cause: Policy Feedback and Political Change." *World Politics* 45(4): 595-629.

- Pierson, Paul. 1994. *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment*. Cambridge, UK: Cambridge University Press.
- Pomerleau, Kyle, and Michael Schuyler. 2015. *Fiscal Fact No. 489: Details and Analysis of Senator Ted Cruz's Tax Plan*. Tax Foundation. Washington, DC: Tax Foundation. Retrieved February 24, 2016 ([http://taxfoundation.org/sites/taxfoundation.org/files/docs/TaxFoundation\\_FF489\\_0.pdf](http://taxfoundation.org/sites/taxfoundation.org/files/docs/TaxFoundation_FF489_0.pdf)).
- Pomerleau, Kyle, and Michael Schuyler. 2016. Fiscal Fact No. 496: Details and Analysis of Hillary Clinton's Tax Proposals. Tax Foundation. Washington, DC: Tax Foundation. Retrieved February 29, 2016 (<http://taxfoundation.org/sites/taxfoundation.org/files/docs/TaxFoundation-FF496.pdf>).
- Porter, Eduardo. 2015. "Sizing Up Hillary Clinton's Plans to Help the Middle Class." *The New York Times*, July 14. Retrieved February 28, 2016 ([http://www.nytimes.com/2015/07/15/business/sizing-up-hillary-clintons-plans-to-help-the-middle-class.html?\\_r=1](http://www.nytimes.com/2015/07/15/business/sizing-up-hillary-clintons-plans-to-help-the-middle-class.html?_r=1)).
- Rosenberg, Joseph, Len Burman, Jim Nunns, and Daniel Berger. 2016. *An Analysis of Ted Cruz's Tax Plan*. Tax Policy Center. Washington, DC: Urban Institute and Brookings Institution. Retrieved February 24, 2016 (<http://www.taxpolicycenter.org/UploadedPDF/2000612-an-analysis-of-ted-cruzs-tax-plan.pdf>).
- Rubin, Richard. 2016. "Cruz, Rubio Trade Barbs Over Tax-Reform Plans; GOP Divided." *The Wall Street Journal*, January 12. Retrieved March 2, 2016 (<http://www.wsj.com/articles/cruz-rubio-tax-plans-trigger-gop-fight-1452643268?mg=id-wsj>).
- Rubio, Marco. 2015. "My Plan to Support Paid Leave and Strong Families." *Medium*, September 25. Retrieved March 4, 2016 (<https://medium.com/@marcorubio/my-plan-to-support-paid-leave-and-strong-families-7f8950a6b636#.k9cqt6srf>).
- Rubio, Marco. 2016a. "A Pro-Growth, Pro-Family Tax Plan for the New American Century." Miami, FL: Marco Rubio for President. Retrieved February 25, 2016 (<https://marcorubio.com/issues-2/rubio-tax-plan/>).
- Rubio, Marco. 2016b. "How Marco Wants to Help Working Families." Miami, FL: Marco Rubio for President. Retrieved March 3, 2016 (<https://marcorubio.com/news/how-marco-wants-to-help-working-families/>).
- Rubio, Marco. 2016c. "How Marco Will Finally Get Washington Spending Under Control." Miami, FL: Marco Rubio for President. Retrieved March 3, 2016 (<https://marcorubio.com/news/spending-cutting-proposals-fiscal-discipline/>).
- Rubio, Marco. 2016d. "Marco's Plan to Restore Sanity and Restraint to Regulation: A National Regulatory Budget." Miami, FL: Marco Rubio for President. Retrieved March 3, 2016 (<https://marcorubio.com/news/marcos-plan-to-restore-sanity-and-restraint-to-regulation-a-national-regulatory-budget/>).

- Sammartino, Frank, Len Burman, Jim Nunns, Joseph Rosenberg, and Jeff Rohaly. 2016. *An Analysis of Senator Bernie Sanders's Tax Proposals*. Tax Policy Center. Washington, DC: Urban Institute and Brookings Institution. Retrieved March 5, 2016 (<http://taxpolicycenter.org/UploadedPDF/2000639-an-analysis-of-senator-bernie-sanderss-tax-proposals.pdf>).
- Sanders, Bernie. 2016a. "Combating Climate Change to Save the Planet." Burlington, VT: Bernie 2016. Retrieved February 29, 2016 (<https://berniesanders.com/people-before-polluters/>).
- Sanders, Bernie. 2016b. "How Bernie pays for his proposals." Burlington, VT: Bernie 2016. Retrieved February 29, 2016 (<https://berniesanders.com/issues/how-bernie-pays-for-his-proposals/>).
- Sanders, Bernie. 2016c. "Making the Wealthy, Wall Street, and Large Corporations Pay their Fair Share." Burlington, VT: Bernie 2016. Retrieved February 29, 2016 (<https://berniesanders.com/issues/making-the-wealthy-pay-fair-share/>).
- Sanders, Bernie. 2016d. "Medicare for All." Burlington, VT: Bernie 2016. Retrieved February 29, 2016 (<https://berniesanders.com/medicareforall/>).
- Sanders, Bernie. 2016e. "Strengthen and Expand Social Security." Burlington, VT: Bernie 2016. Retrieved February 29, 2016 (<https://berniesanders.com/issues/strengthen-and-expand-social-security/>).
- Skocpol, Theda. 2000. *The Missing Middle: Working Families and the Future of American Social Policy*. New York: W. W. Norton and Company.
- Smeeding, Timothy. 2006. "Poor People in Rich Nations: The United States in Comparative Perspective." *Journal of Economic Perspectives* 20(1): 69-90.
- Smith, Adam. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Oxford, UK: Clarendon Press.
- Snell, Kelsey. 2016. "The VAT tax fight between Rubio and Cruz." *The Washington Post*, January 15. Retrieved February 24, 2016 (<https://www.washingtonpost.com/news/powerpost/wp/2016/01/15/the-vat-tax-fight-between-rubio-and-cruz/>).
- Soss, Joe, Richard C. Fording, and Sandford F. Schram. 2011. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago: University of Chicago Press.
- Stein, Jeff. 2016. "Hillary Clinton has already lost the fight over her Goldman Sachs speeches." *Vox*, February 9. Retrieved February 19, 2016 (<http://www.vox.com/2016/2/9/10950818/hillary-clinton-wall-street-goldman>).
- Stein, Robert. 2010. "Taxes and the Family." *National Affairs* 2:35-48.
- Steuerle, C. Eugene. 2008. *Contemporary U.S. Tax Policy*. 2nd ed. Washington, DC: The Urban Institute Press.

- Steuerle, C. Eugene, Gillian Reynolds, and Lily Batchelder. 2008. *The Tax Policy Briefing Book: A Citizen's Guide for the 2008 Election and Beyond*. Urban-Brookings Tax Policy Center. Washington, DC: Tax Policy Center. Retrieved January 31, 2016 (<http://www.taxpolicycenter.org/briefingbook>).
- Tanner, Michael. 2015a. "And Coming Up on the Left, Bernie Sanders." *National Review*, October 7, 2015. Retrieved March 9, 2016 (<http://www.nationalreview.com/article/425166/and-coming-left-bernie-sanders>).
- Tanner, Michael. 2015b. "Clinton's Grandiose Spending Proposals." *National Review*, December 2. Retrieved March 2, 2016 (<http://www.nationalreview.com/article/427852/Hillarys-budget-plans>).
- Tax Foundation. 2010. "How Much Did the Bush Tax Cuts Cost in Forgone Revenue?" *Tax Foundation*, May 26. Retrieved February 20, 2016 (<http://taxfoundation.org/article/how-much-did-bush-tax-cuts-cost-forgone-revenue>).
- The White House. 2016. "Tax Relief for Middle-Class Families and Small Businesses." Washington, DC: The White House. Retrieved March 6, 2016 (<https://www.whitehouse.gov/economy/jobs/tax-relief-for-160-million-workers>).
- Thompson, Derek. 2010. "How Does a 'Value Added Tax' Work, Anyway?" *The Atlantic*, March 1. Retrieved March 2, 2016 (<http://www.theatlantic.com/business/archive/2010/03/how-does-a-value-added-tax-work-anyway/36834/>).
- Thompson, Derek. 2016. "Marco Rubio's Extreme Tax Plan." *The Atlantic*, February 12. Retrieved March 3, 2016 (<http://www.theatlantic.com/business/archive/2016/02/marco-rubio-tax-plan/462549/>).
- Viard, Alan. 2015. "Another proposal for a hidden VAT." *American Enterprise Institute*, October 29. Retrieved February 24, 2016 (<https://www.aei.org/publication/another-proposal-for-a-hidden-vat/>).
- White, Ben. 2015. "Rubio tax plan challenges GOP orthodoxy." *Politico*, April 9. Retrieved February 25, 2016 (<http://www.politico.com/story/2015/04/marco-rubio-tax-plan-challenges-gop-orthodoxy-116831>).
- Williams, Noah. 2016. "Clearing the Confusion in Tax-Reform Discussion." *The National Review*, February 16. Retrieved February 26, 2016 (<http://www.nationalreview.com/article/431292/marco-rubio-tax-plan-not-vat>).
- Yglesias, Matthew. 2015a. "Hillary Clinton's plan to tame big banks shows her at her wonkish best." *Vox*, October 9. Retrieved February 29, 2016 (<http://www.vox.com/2015/10/9/9483329/hillary-clinton-banks>).
- Yglesias, Matthew. 2015b. "Hillary Clinton's pledge to avoid middle-class tax hikes is bad news for progressive politics." *Vox*, December 19. Retrieved February 29, 2016 (<http://www.vox.com/2015/11/23/9780162/clinton-middle-class-tax>).

Yglesias, Matthew. 2016. "Ted Cruz is even less electable than Donald Trump." *Vox*, February 1. Retrieved February 24, 2016 (<http://www.vox.com/2015/12/8/9866726/ted-cruz-electability>).