# Larry Kudlow On Taxes

**Highlights:**

* Larry Kudlow defended Trump’s Tax Cuts and Jobs Act (TCJA) with false claims about the deficit and economic growth.
	+ Kudlow attacked the Congressional Budget Office for predicting that the TCJA would increase the deficit by over $1 trillion.
	+ Kudlow falsely claimed that the TCJA would pay for itself and decrease the deficit.

## Kudlow Defended Trump’s Tax Cuts And Jobs Act (TCJA) With False Claims About The Deficit And Economic Growth

### Kudlow Attacked The Congressional Budget Office For Predicting That The TCJA Would Increase The Deficit By Over $1 Trillion

**The Congressional Budget Office Predicted That The TCJA Would Cost Over $1 Trillion.** According to the Washington Post, “The CBO said the tax law will cut government revenue by $1.8 trillion over the next 10 years, or by $1.3 trillion when factoring in potentially higher growth spurred by the law.” [Washington Post, [4/17/18](https://www.washingtonpost.com/news/wonk/wp/2018/04/17/trumps-top-economic-adviser-never-believe-the-cbo-never-believe-them/)]

**Kudlow Said To “Never Believe” The Congressional Budget Office Because They Were “Always Wrong.”** According to the Washington Post, “President Trump's top economist blasted the Congressional Budget Office on Tuesday, dismissing the scorekeeper's recent projections that the Republican tax law would push the nation's annual deficit over $1 trillion. ‘Never believe the CBO. Very important: Never believe them,’ Larry Kudlow, director of Trump's National Economic Council, said during an interview on ‘Fox & Friends.’ ‘They're always wrong, especially with regard to tax cuts, which they never score properly.’” [Washington Post, [4/17/18](https://www.washingtonpost.com/news/wonk/wp/2018/04/17/trumps-top-economic-adviser-never-believe-the-cbo-never-believe-them/)]

### Kudlow Falsely Claimed That The TCJA Would Pay For Itself And Decrease The Deficit

**Kudlow Claimed That The TCJA Would Bring In Enough New Tax Revenue To Reduce The Deficit.** According to the Washington Post, “Larry Kudlow, director of the White House's National Economic Council, said on Fox Business that stronger economic growth was creating enough new tax revenue to bring down the deficit. ‘The deficit — which was one of the other criticisms [of the GOP tax law] — is coming down, and it's coming down rapidly,’ Kudlow said. ‘It's throwing up enormous amounts of new tax revenue.’ Kudlow clarified to The Washington Post on Friday afternoon that he was referring to his expectations about future deficit levels, not arguing that the deficit had already come down. (The deficit from January through April was $161 billion, according to Treasury, up from $135 billion at the same point last year.) ‘The economy is so strong right now it’s going to produce lower deficits. I probably should have said future deficits,’ Kudlow said.” [Washington Post, [6/29/18](https://www.washingtonpost.com/news/wonk/wp/2018/06/29/trumps-top-economic-adviser-says-deficit-is-coming-down-rapidly-contradicting-all-available-data/)]

**Kudlow’s Claim Was Contradicted By White House Data Showing That The Deficit Was Increasing.** According to the Washington Post, “Official White House data suggest deficits are increasing, too. The White House's Office of Management and Budget says the deficit is rising from $665 billion in 2017 to $832 billion in 2018, and will approach $1 trillion annually in 2019. ‘Deficits are not going down. They are going up,’ said Marc Goldwein, senior vice president of the Committee for a Responsible Federal Budget, a nonpartisan think tank that advocates for budget discipline.” [Washington Post, [6/29/18](https://www.washingtonpost.com/news/wonk/wp/2018/06/29/trumps-top-economic-adviser-says-deficit-is-coming-down-rapidly-contradicting-all-available-data/)]

#### Kudlow Falsely Claimed That The TCJA Had Paid For Itself In Its First Year

**Kudlow Falsely Claimed That Tax Revenue From The TCJA Had Paid For Itself In Its First Year.** According to RealClearPolitics, “National Economic Council Director Larry Kudlow discusses President Trump’s tax law, the booming U.S. economy and the rising national debt on FOX Business Network. ‘We've argued with the improvement in economic growth from less than 2% to well over 3%, near 4%, that growth and revenues from incomes and more people working is basically financed the business tax cut. The tax cut has paid for itself already barely through the first calendar year,’ Kudlow told FBN's Trish Regan. ‘If we can keep the economy growing at 3% or better, according to the CBO, over ten years... that would generate... 3.5 trillion dollars of additional deficit reduction, just because of the increase in growth.’” [RealClearPolitics, [11/15/18](https://www.realclearpolitics.com/video/2018/11/15/larry_kudlow_tax_cut_has_paid_for_itself_already_through_higher_tax_revenue.html)]

**Contrary To Kudlow’s Claim, Federal Tax Revenue Fell In The First Year After The TCJA.** According to the New York Times, “Data released this week by the budget office provides the first complete picture of federal revenues for the 2018 calendar year, when the tax cuts were in full effect. (The government’s 2018 fiscal year included three months from the end of 2017, when most of the tax cuts were not in effect.) In the inaugural year of the tax cuts — with economic growth accelerating and the jobless rate falling to an 18-year low — federal revenues from corporate, payroll and personal income taxes actually fell. That’s true whether you adjust revenues and growth for inflation — or not.” [New York Times, [1/11/19](https://www.nytimes.com/2019/01/11/business/trump-tax-cuts-revenue.html)]