

Comments on The Tax Cuts & Jobs Act

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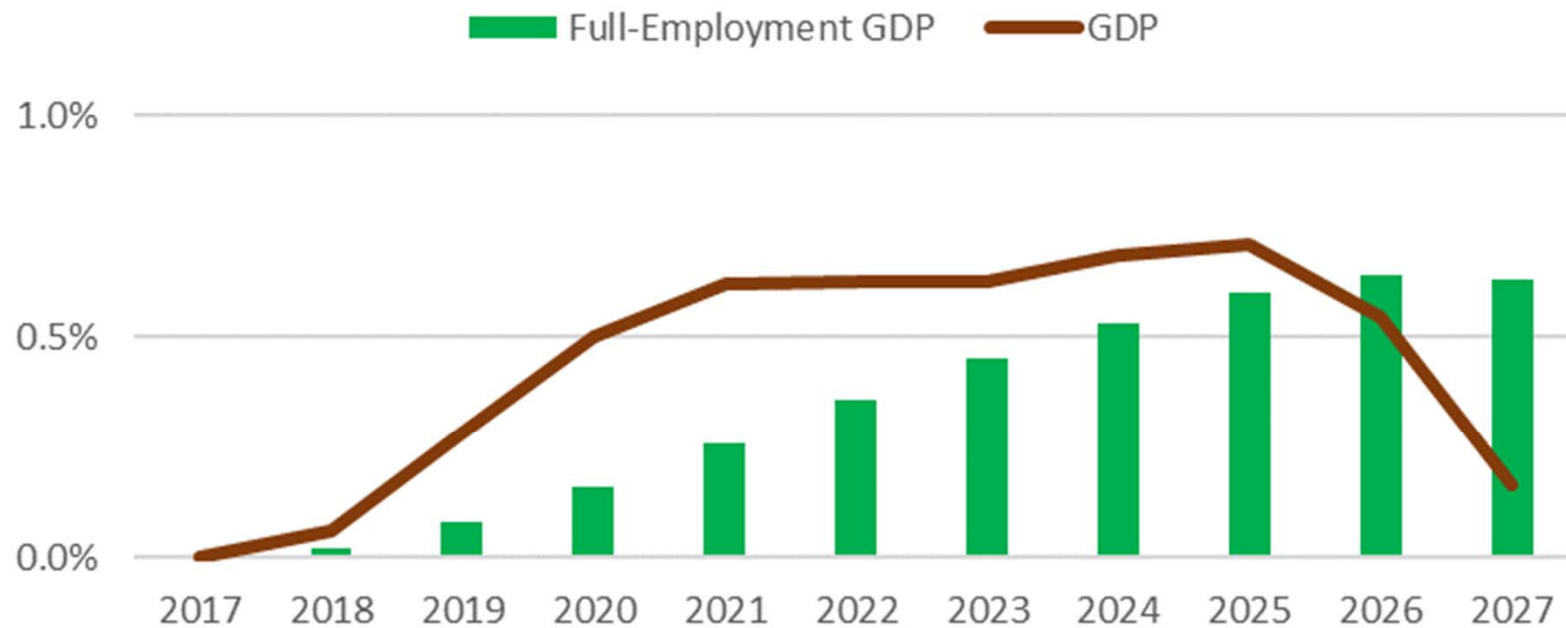
BEA Advisory Committee Meeting
May 18, 2018
Washington, DC



Tax Cuts & Jobs Act

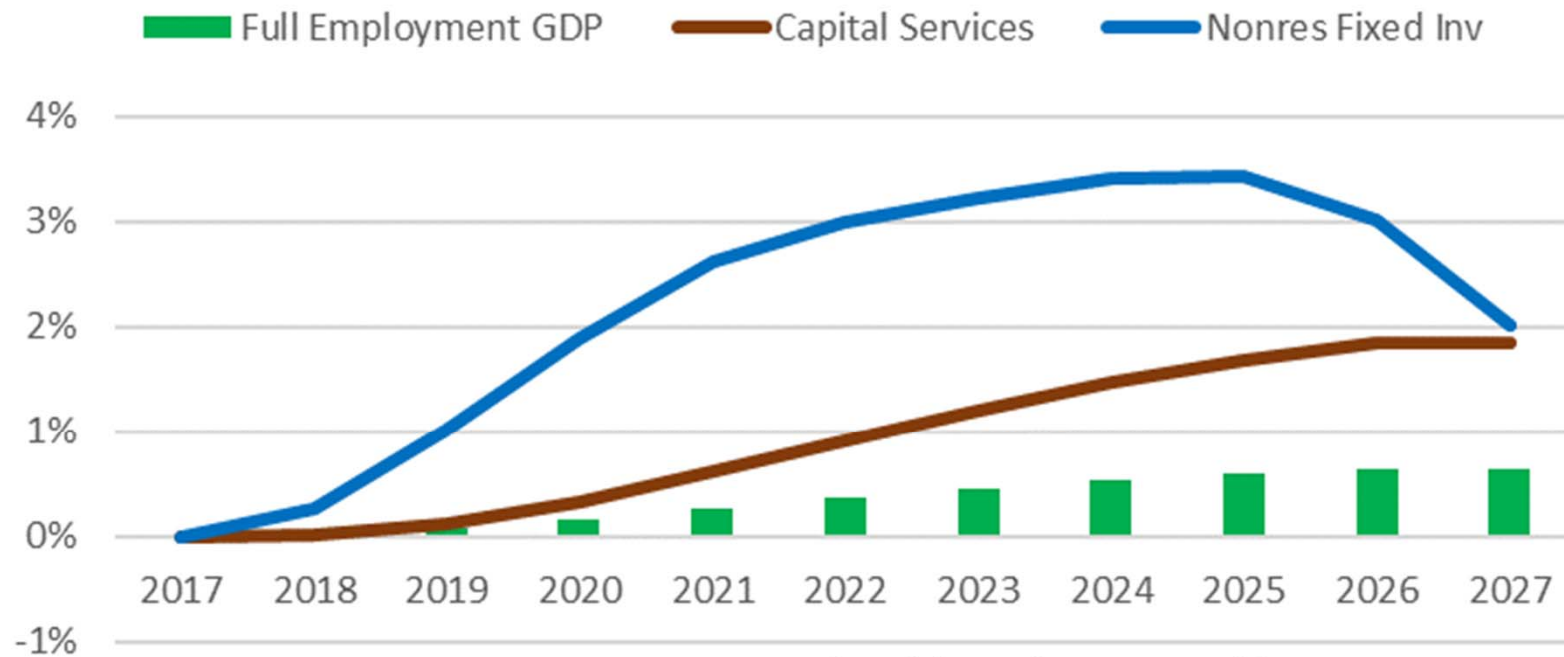
- Knowns
 - Provisions; no postcards!
 - “Static” cost, distribution
 - Estimated dynamic impacts
- Unknowns
 - Sunset?
 - Effectiveness of pass-thru guardrails: Kansas!
 - International capital movement, foreign response
- So far
 - No evidence of effect on growth of GDP (or wages!)
 - Measurable weakening in tax revenues
- CBO / JCT analysis now the benchmark

Impact of TCJA on Real GDP percent difference from baseline level



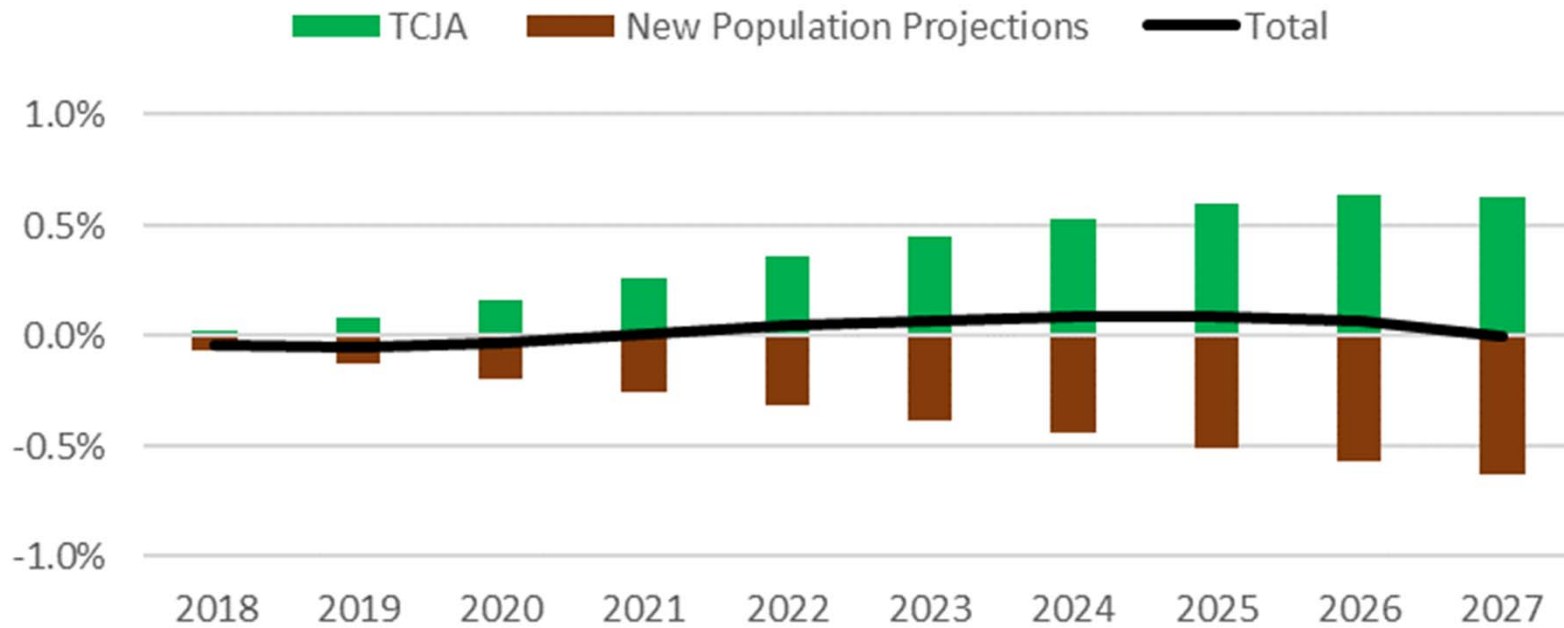
Source: Macroeconomic Advisers by IHS Markit

Real FE GDP, Nonres Fixed Inv & Capital Services percent difference from baseline



Source: Macroeconomic Advisers by IHS Markit

Impact on Full Employment Real GDP percent difference from baseline level



Source: Macroeconomic Advisers by IHS Markit