How The Trump Tax Plan Could Trigger The Next Great Recession

By Shawn Cleave

Reading through NAR's state-by-state analysis of the Trump Tax Proposal, it struck me that our cohorts in DC are thinking too much with their calculators and not enough with their hearts.

For sure, the numbers are scary: 108,834 Oregon homeowners with a mortgage will see their taxes increase under the proposal legislation, and about 19,400 homeowners statewide will see their property taxes increase, even if they own their homes outright.

Homeowners pay about 83% of all personal income taxes already. Do we really need to tax them more?

But what really concerns me is the impact on home values under Trump's Tax Plan. If both mortgage interest and real estate taxes deductions are eliminated, home prices could fall by 10%.

Do the math for your own home and you'll realize what a significant dip that is for Oregon homeowners, equaling roughly half of what we all experienced during the Great Recession a decade ago.

Some say the Trump Tax Plan will stimulate economic growth, and if the current Administration (and Trump, specifically) has done anything effectively, it is playing to the economic emotions of middle-class Americans (More Jobs! Lower Taxes!) instead of relying on numbers and data to gain Main Street support.

That trickle-down rhetoric may work in other states, but Oregon's unemployment rate is already near record lows and incomes are rising. Suffering higher taxes rather than spending your hard-earned money on goods and services, coupled with declining home values, is more likely to trigger the next Great Recession than support (much less boost) our state economy.

Talk about scary.

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For more information and to voice your opposition to the Senate Tax Bill, go to NAR's REALTOR® Action Center Tax Reform Portal.

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