

# Trump calls for excluding child-care costs from taxation as he tries to turn the page on a bruising week

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By [Sean Sullivan](#) and [Jim Tankersley](#) August 8 at 1:13 PM

*This post has been updated*

Donald Trump on Monday proposed collapsing the federal income tax rate from seven brackets down to three and called for allowing child-care expenses to be exempt from taxation in a speech allies hope will help the GOP presidential nominee turn the page on a tumultuous period some Republicans fear has severely damaged his campaign.

Trump was interrupted every few minutes by protesters for much of his address at the Detroit Economic Club. He took sharp aim at Democratic nominee Hillary Clinton in the speech, holding up Detroit, which has been devastated by manufacturing job losses, as "the living, breathing example" of her "failed economic agenda."

"I want to jump-start America. It can be done. And it won't even be that hard," said Trump.

Overall, Trump offered few new details behind his economic vision, which he unveiled as a candidate last year. One notable exception was his call to enable families to "fully deduct" all child-care expenses from their taxes. Some such expenses are already deductible; experts say that the additional amounts will largely benefit middle- and upper middle-class families.

On tax rates, business mogul said he would work with House Republicans and use the same three brackets they have proposed: 12 percent, 25 percent and 33 percent, embracing figures championed by Speaker Paul D. Ryan (Wis.), with whom Trump has had a tense alliance. Previously, Trump proposed tax brackets of 0 percent, 10 percent, 20 percent and 25 percent.

"For many American workers, their tax rate will be zero," said Trump.

The business mogul offered his thoughts in an address that came as he was trying to move past a disastrous week in which he stoked tensions with party leaders, drew widespread ire for criticizing the Muslim parents of a U.S. Army captain killed in Iraq

and fell dramatically behind Clinton in public polls.

Trump also announced that as president, he would sign an executive order creating a temporary regulatory moratorium on new agency regulations.

"I am going to cut regulations massively. Massively," he said for emphasis.

Freezing all pending federal regulations would include many Wall Street regulations created by the Dodd-Frank legislation passed in the wake of the financial crisis. Trump's energy agenda, meanwhile, would open new sections of American coastal waters to offshore oil drilling and sweep away the Obama administration's efforts to fight climate change.

Protesters sidetracked Trump's speech repeatedly. Unlike in large rallies where Trump often calls for the protesters to be thrown out, riling up the crowd, he waited patiently as they were removed Monday. At one point he remarked calmly, "This is all very well planned out."

Trump cast Clinton as "the candidate of the past," insisting, "ours is the campaign of the future." He highlighted the setbacks Detroit has suffered and argued that Clinton's policies on trade, crime, immigration and education have hurt the city and threaten to hurt the country.

"Unless we change policies we will not change results. 100 percent," he said.

The GOP nominee continued to leave large question marks about how he would pay for his plans and avoid ballooning the federal budget deficit. He included no new details on how he would limit the cost of his tax reform plan, which analysts have estimated would reduce federal revenues by as much as \$10 trillion over a decade. His child-care expense plan would presumably raise that cost even further, as would an infrastructure spending plan that he has said could cost more than \$500 billion.

Trump released a tax plan last year that would reduce the the top income tax rate from 39.6 percent to 25 percent and bring down the top corporate rate from 35 percent to 15 percent. The plan would eliminate the estate tax and reduce tax rates to 10 percent for households earning \$100,000 or less.

Advisers have promised for weeks Trump is working on a revamped tax plan that would cost \$2 trillion over 10 years, after factoring in faster economic growth, but there were no hints in Monday's speech about where those savings would come from. Trump also did not spell out any federal spending cuts.

In his remarks, Trump said he would offer more details in the coming weeks.

Trump's plan is designed to accelerate economic growth, largely in classic conservative fashion: by reducing taxes and regulations on businesses and by opening vast new swaths of federal lands and waters to drilling.

The plan also promises to increase growth by reducing America's trade deficit with China and other trading partners, in part by levying tariffs on imported goods from those countries. Some economists, including Trump adviser Peter Navarro, say that reducing the trade deficit would boost growth. Others, including Mark Zandi of Moody's Analytics, warn that a tariff war could push America and much of the world into recession.

Trump has adopted hard-line opposition to sweeping trade agreements, arguing they have hurt American workers. He reiterated his commitment to renegotiating the North American Free Trade Agreement and withdrawing from the Trans-Pacific Partnership. He singled out President Bill Clinton for signing NAFTA and accused the accord of moving U.S. jobs abroad and said a vote for Clinton is a vote for TPP.

"The one common feature of every Hillary Clinton idea is that it punishes you for working and doing business in the United States," said Trump.

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As secretary of state, Clinton praised TPP. But in the Democratic primary, she abandoned her support for the agreement.

Ahead of Trump's speech, three Clinton policy advisers released a memo claiming that a Trump presidency would endanger the U.S. economy. Citing statements Trump has made during and before the presidential campaign and bipartisan criticism of Trump's economic ideas, the three claim Trump's agenda would cost millions of jobs and could lead to a recession.

"The core of Donald Trump's economic plan involves reckless tax cuts that will add trillions to the debt to benefit the wealthy, Wall Street, and big corporations," the memo said. "His plan would give millionaires a \$7 trillion tax cut and big corporations a \$5 trillion tax cut."

Trump also wants to roll back banking regulations and consumer protections, the advisers wrote. His "only big idea for infrastructure has been his fantasy of a border wall that he insists Mexico will pay for."

*Anne Gearan in St. Petersburg, Fla., contributed to this report*

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