this year, North Korea made a major breakthrough with its first successful ICBM launching. If it had been launched on a standard trajectory, the missile could likely have traveled up to 5,000 miles. That would have been enough to have reached Alaska. On July 28 of this year, North Korea tested another ICBM. This missile demonstrated the potential ability to reach mainland U.S. targets with a nuclear-armed ICBM.

Yesterday was the big day. Yesterday, this legislation happened. Yesterday, North Korea proved that it could reliably range the entire continental United States with a test of its newest and newest version of the ICBM. It is important to remember that all of this power is being wielded by the erratic despot Kim Jong Un. We don’t have the luxury of time. He has stated that his goal—listen to this—is to attain a nuclear-capable ICBM that can annihilate the United States.

Secretary Mattis confirmed the technical advances that were displayed in yesterday’s test. The missile had 53 minutes of flight time, it flew over the Japanese islands, and Mattis confirmed that it had gone higher than any previous shot they had ever taken.

David Wright, an analyst with the Union of Concerned Scientists, wrote that yesterday’s test indicates that North Korea can now hold the United States well within missile range. Wright wrote: “Such a missile would have been more than enough range to reach Washington, DC, and in fact any part of the continental United States.”

When one talks about the real threats that are out there, we now know that even though people didn’t believe it 20 years ago, 10 years ago, 5 years ago, it finally happened yesterday. They have the range that could reach the continental United States, and they have that they have a missile that can do that. The only argument they use is that this may not have had a payload, that maybe they couldn’t have done that with a payload. Actually, it had that kind of a range. That doesn’t give me much comfort. I really think that we are to the point at which we have to recognize that we are in the most threatened position we have been in as a nation, and now it is a lot easier to believe that because we witnessed it yesterday.

I yield the floor.

The PRESIDING OFFICER (Mr. Lee). The Senator from Montana.

TAX REFORM

Mr. TESTER. Mr. President, I have long supported efforts to reform the Tax Code—tax reform that gives a break to working-class Americans and small businesses so that they can plan for the future, and tax reform that doesn’t burden future generations with loads of debt. Unfortunately, the bill that we are going to vote on this week is not tax reform.

The majority and the administration can say, I wish I could have done what you want, but from where I come from, which is north central Montana, we call it how we see it. This is a tax giveaway to the wealthy—a tax giveaway that will cut taxes for the wealthiest families. This is a tax cut for nearly 14 million middle-class Americans. This tax giveaway benefits wealthy out-of-staters at the expense of hard-working Montanans. In fact, folks making less than $30,000 a year will see a tax hike in 2019, and folks making less than $40,000 will see a tax hike in 2021. That pattern continues climbing until every individual will see a tax hike in 2025.

Why is this important?

We began our tax reform in 30 years, and 2025 will be here tomorrow. A tax break for the wealthiest will continue not only to add to our debt, but it will continue to take money out of the pockets of hard-working middle-class families. In fact, large corporations will enjoy permanent tax giveaways.

It doesn’t have to be like this, but the majority has chosen, once again, to write a bad bill in secret—no bipartisan work, no more jobs and raise wages, and no regard for how this bill is going to impact folks down the road. This tax giveaway to the wealthy reeks of the giveaway to the wealthy reeks of the giveaway to the wealthy. This bill is so that some politicians can claim a political victory. If you vote for this bill, you are putting $1.4 trillion on the credit card that our kids and our grandkids are going to be forced to pay. That is a fact. Where are the deficit hawks? Where have they flown?

My, how times have changed.

We can do better than this. Our kids and our grandkids deserve better than this. Hard-working families in this country deserve better than this. We need to do the right thing and pull this bill from the floor and work together on a truly bipartisan tax reform that all Americans can support.

The other side of the aisle doesn’t want to be bothered by differences of opinion or public input, so we end up with a poorly written bill that doesn’t do what it is advertised to do. Let’s help businesses and hard-working middle-class families while raising taxes on nearly 14 million middle-class Americans.

This tax giveaway benefits wealthy folks down the road. This tax giveaway to the wealthy reeks of the giveaway to the wealthy reeks of the giveaway to the wealthy.

I am voting no on this bill, and I am voting no for Montana’s kids and grandkids. I encourage my colleagues to take a look at this bill, by the way, and see if that’s what you don’t expect. Take a look at it, what is there, and vote no to avoid, at a minimum, a trillion and a half dollars being added to our national debt.

When I go home, one of the things that folks ask of me is to work together—to work together and find bipartisan solutions. Don’t just cast off those on the other side as being wrong. Listen to them. Try to find that middle ground. That hasn’t happened here with this bill. Anything but that has happened here. It doesn’t have to be like this, but the majority has chosen, once again, to write a bad bill in secret—no bipartisan work, no more jobs and raise wages, and no regard for how this bill is going to impact folks down the road. This tax giveaway to the wealthy reeks of the giveaway to the wealthy. This bill is so that some politicians can claim a political victory. If you vote for this bill, you are putting $1.4 trillion on the credit card that our kids and our grandkids are going to be forced to pay. That is a fact. Where are the deficit hawks? Where have they flown?

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Mr. WYDEN. Mr. President, a number of Senators have been inquiring as to what will happen next with respect to the handling of the tax legislation. My sense is that, in a relatively short period of time, the Senate will be voting on the motion to proceed this legislation. I want to take a couple of minutes to talk about why I am going to oppose the motion to proceed.

The fact is, right now, on a topic that will involve $10 trillion worth of tax policy change, the biggest change in the Tax Code in 31 years when the U.S. Senate votes on the motion to proceed—we, essentially, will not know yet what the Senate will be debating. There are rumors; there are whispers, but the fact is, as the ranking Democrat on the Senate Finance Committee, which has authority over taxes, I haven’t seen the text of the bill that we will actually be debating.

The bill seems to have changed practically every half hour. It has certainly been a battle for the super analysts, but there are a couple things we already do know. We know, for example, it is not going to give a fair shake to working families. What we have talked about again and again in the Senate is that Senate leadership is committed to a double standard with respect to the American economy: temporary breaks for the middle class—they vanish in a few years—and permanent breaks for those at the top.

We were beaten on this. The middle class is responsible for 70 percent of the economic activity in our economy. They are the ones who buy the cars, who buy the houses. They send kids to child care. Instead, many of them certainly fairly soon are going to be further in the hole than they already are.

So this is a piece of legislation, both on the substance, from the standpoint of what my colleagues have been talking about in terms of the double standard—in our economy essentially two tax systems, one for the cops, the nurses, auto-workers, and timber workers. Their tax system is compulsory. Their taxes come right out of their paycheck. There are no Cayman Island deals for them. The people at the top pay what they want when they want to. The reality is, what it looks like we are going to get—as I say, I don’t have the details—is going to make this work.

Some Senators have asked, for example, about the passthrough provisions, important to small business. We don’t have the details on that. We have Members who care about how we are actually going to not rack up hundreds of billions of dollars’ worth of debt in the years ahead. Some Senators have suggested that there be triggers. I happen to think they are gimmicks in all of the approaches I have heard.

I will just tell my colleagues in the Senate, Bill Bradley, the former Knick and basketball great who was on the Finance Committee—and I like to kid colleagues that he was another tall Democrat on the committee with a sockeye in the hand shot that I—he always would tell stories about how he would fly across the country to meet with Republicans to talk about the specifics of tax reform. Back then, Senators went to great lengths to talk to each other about the specifics of tax reform. In this instance, the majority hasn’t been willing to even walk down the corridor of the Dirksen Senate Office Building to talk about the specifics of tax reform.

The Senate is better than this. I was part of the bipartisan group yesterday, and Senator DONNELLY, our colleague from Indiana, really set out what became an outpouring of good faith among something like 17 Senators who said we can find common ground here. I happen to know we can find common ground here because with two Senators, who happen to be very close to the distinguished majority leader, MITCH MCCONNELL, I wrote two full bipartisan Federal income tax reform bills—my colleagues, Senator Gregg and Senator Coats. We can do this. This is what the Senators said yesterday. We can find common ground. There is not a Senator here who doesn’t agree that the Tax Code is a rotting economic carcass. It is a dysfunctional mess. Every single Senator understands it is broken. Since it has been 30 years since the last reform, there have been scores of changes to the Tax Code that really cause as much confusion as they do benefits. So I know we can do this. That is what Democratic Senators said yesterday. They said we want to work together in a group led by our colleagues Senator MANCHIN and Senator Kaine, who brought us together.

So we are going to vote, and I think it is going to be soon, on a motion to proceed. I would just tell Senators, as of right now, we don’t yet know what the Senate is going to be debating, and on those crucial issues I just mentioned, we still don’t have any information. Yesterday, the Joint Committee on Taxation told me they hoped to have what the Republicans said was the essence of why their bill works: a dynamic score of the tax legislation. We have not seen that either.

I hope our colleagues will vote no on the motion to proceed because I don’t think it is too much to say that as Senators, when we are talking about going to a bill that involves $10 trillion worth of tax policy changes in the Senate, we ought to know what the Senate will actually be debating. I yield the floor.
The motion was agreed to.

**TAX CUTS AND JOBS ACT**

The PRESIDING OFFICER (Mr. TILLIS). The clerk will report the bill.

The senior assistant legislative clerk read as follows:

A bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

The PRESIDING OFFICER. The majority leader.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that Senator WYDEN or his designee be recognized to ask unanimous consent that Senator leader be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon.

Mr. WYDEN. Mr. President, I call up the motion that I have at the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Oregon [Mr. WYDEN] moved to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

1. are within the jurisdiction of such committee;
2. eliminate provisions that would raise taxes on millions of middle class taxpayers.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, this is a historic day, as the Senate begins consideration of tax reform that will help boost America’s economy, create more jobs, and leave more money in people’s paychecks.

The House and Senate passage last month of the fiscal year 2018 budget resolution marked an important first step toward tax relief for American families and job creators that will jump-start economic growth. The resolution gave the Senate Finance Committee the headroom to come up with comprehensive tax reform, and it instructed the Senate Energy and Natural Resources Committee to save $1 billion. Finance Committee Chairman HATCH and Energy and Natural Resources Committee Chairwoman MURKOWSKI both deserve praise for developing legislative recommendations that fit with the budget resolution’s reconciliation instructions, and I thank them for their efforts.

Yesterday, the Senate Budget Committee took the next step by combining the legislative recommendations from the Finance and the Energy and Natural Resources Committees and reporting the combined bill to the full Senate for consideration. This put our Nation one step closer to real tax reform while advancing American energy security.

It is past time for us to act. A lot of things have changed since the last major tax reform in 1986, and unfortunately our Tax Code hasn’t kept pace with those changes. It is an outdated mess that is hurting American workers and hampering our economy. That is why we need tax reform that will make our system simpler and fairer and allow people to keep more of what they earn. The bill before us will do that. It will help grow the economy, create jobs, and ensure that hard-working Americans aren’t missing available tax relief.

This bill also will provide relief to small, family-owned businesses. We want to make sure that small businesses are the engine of the majority of the private sector in Wyoming and are the backbone of our communities all over the country, have the opportunity to grow and provide more jobs.

If you care about jobs, if you care about American companies staying here and being able to compete globally, then you should also care about reforming our business tax system. America has the fourth highest corporate rate in the world, and we need to encourage companies to bring back their overseas money to increase the number of jobs here in the United States. Lowering our uncommonly high and uncompetitive business tax rate would be one of the quickest ways to solve the problem. It is time we make America a more inviting place to invest, to do business, and to create jobs.

We heard a lot of rhetoric yesterday in our committee meeting when we reported this bill, and I expect we will be hearing a lot more of the same arguments over the next couple of days. So I want to address some of the claims made by my colleagues on the other side of the aisle yesterday.

Several Members complained that there have been zero hearings on this reconciliation legislation and that this has been a rushed process. Nothing could be further from the truth. The entire reconciliation process has been open, transparent, and subject to regular order, starting with the passage of the Senate budget resolution. The Senate Budget Committee marked up the budget over 2 days and accepted amendments from both sides of the aisle to make the resolution stronger. In fact, for the first time ever, the minority was given a copy of the chairman’s bill 5 days prior to the start of the markup. According to many of my colleagues, it was one of the most transparent budget resolution markups in history.

The budget resolution, complete with the reconciliation instructions being used this week, was then debated on the floor in an open process that allowed every Senator the opportunity to offer and vote on amendments to improve the resolution before its final passage. That set in motion the instructions committee process for producing recommendations.

Over the last 6 years, the Senate Finance Committee has held 70 hearings on how the Tax Code can be improved and streamlined to work better for all Americans.

This month, the Senate Finance Committee held a 4-day markup before finally approving tax reform legislation designed to modernize our Tax Code. The markup lasted 23 hours and 34 minutes over the course of those 4 days. Of the more than 350 amendments filed, 69 were asked to be considered in committee. An additional 35 amendments, offered by both Democrats and Republicans, were included in the final bill reported out of committee.

On November 2, the Senate Energy and Natural Resources Committee held a hearing to receive testimony on the potential for oil and gas exploration and development in the so-called 1002 area of the Arctic National Wildlife Refuge. On November 15, after adopting a bipartisan amendment, the committee approved, with bipartisan support, legislation authorizing responsible development in the 1002 area and meeting the $1 billion reconciliation deficit reduction target.

Let me explain what we are talking about. ANWR is 19.3 million acres. It is about the size of South Carolina. The 1002 area is 1.57 million acres—about the size of Delaware. The area within 1002 that we are talking about for development is just 2,000 acres, which is smaller than the Fargo, ND, airport.

When the Budget Committee met yesterday, consistent with our responsibility under the Congressional Budget Act, we were only authorized to combine the recommendations of the two committees. We reported the combined bill to the full Senate. As provided by law, no amendments were allowed because, under the Budget Act, our committee is prohibited from substantially changing either committee’s approved recommendations. Now that this bill is on the floor, however, it will be subject to the amendment process. For reconciliation bills like this, the amount of amendments that can be offered is unlimited.

Several Members yesterday accused us of no longer caring about overspending and the debt. Again, this is completely false. Better tax policy will boost the value of everything we produce, and this will mean more revenue for the Federal Government.

The cost of this bill that you will hear my colleagues on the other side of the aisle argue assumes the bill has little effect on the economy. That assumption is based on sluggish growth we have had recently. In 2016, annual GDP growth was 1.6 percent, but our historically average growth is 3.2...
percent. Under President Trump’s efforts and the hope that he has brought to working Americans, our economy has grown at more than 3 percent over the last two quarters. If we only get to 2.4 percent growth in the private sector, we probably will be paid down with the extra revenue that will be generated.

We have tried stimulus, and it left us with the 1.6 percent. We have tried cutting. In Washington, if you don’t give the American people what they are asking for but you give them more money than they had last year, that is considered a cut. So cuts haven’t worked here, either. So what is the other option that we have? Growing the economy.

Now, I want to repeat that in 2016 the annual GDP growth was 1.6 percent, but our historical average growth is 3.2 percent. And under President Trump’s efforts and the hope he has brought to working Americans, our economy has grown at more than 3 percent over the last two quarters, without this. If we only get to 2.4 percent growth in the private sector, this bill will be paid for. I believe we can reach the 3.2-percent growth, and part of the debt will be paid down from the extra revenue that will be generated.

Some people will say that after tax cuts before, the deficit has gone up. I hope you check and see that the revenue has gone up, but the spending went up bigger. It is like somebody winning the lottery and spending their winnings twice.

This reconciliation bill will make concrete reforms to the broken U.S. Tax Code and put the American economy back on a growth track. This tax plan is an investment in hard-working Americans and cut a big check to multinational corporations, to tax cheats, and to the politically powerful corporations.

The bill before the Senate would enshrine an economic double standard that makes permanent second-class treatment of Americans who work hard and do their best day in and day out to provide for their family. For the cops, for the nurses, for the mechanics, and for those who work retail, this Republican tax plan is a big gamble. They don’t get any special tax dodges—no Cayman Islands deals for them. Those folks are stuck climbing to the hope that they will not be among the millions hit with an immediate tax hike. Even for those lucky Americans who do see some benefit, there is bad news coming down the pike. All they get out of this Republican plan is the fleeting sugar high of temporary tax cuts.

That is not the case, though, for multinational corporations or powerful high fliers who wield big political power in this town. Under this tax plan, the base case for them is this: You can pay what you want, when you want, and, if you are lucky—really lucky—you may pay hardly anything at all. That certainly is not what working people were promised in the fall 2016 campaign. That is not what Republicans have spent month after month telling Americans their tax plan would do. The Republican rhetoric doesn’t match the reality of this tax plan, and every day we get frightening news reports about the race to the bottom. We can say what we want. The facts are there: You can pay what you want, when you want, and, if you are lucky, you may pay hardly anything at all that certain is not what working people were promised in the fall 2016 campaign.

Just yesterday, I received a letter from the independent congressional tax experts known as the Joint Committee on Taxation, and they gave us really important information about the bill. Buried in one of those answers was information that ought to put a scare into millions of Americans who work hard every day to get ahead. This bill showers trillions of dollars on multinational corporations, but the fact is, those corporations are already awash in cash. What it means, according to these independent congressional tax experts, is that interest rates are going up. The Federal Reserve will have to tighten the screws of the economy.

But here is the bottom line for what it means for a middle-class American in North Carolina, or Oregon, or anywhere else in the United States. If you want to buy a house, this bill is going to make it more expensive. If you want to buy a car, this bill is going to make it more expensive. If you want to buy a credit card, this bill is going to make it more expensive. If you want to make a purchase, this bill is going to make it more expensive. If you want to make a purchase, this bill is going to make it more expensive.

It is not just hard for typical families. The cost of doing business is going to rise for the brewery owner or the tool-and-die maker who wants to build a new facility or purchase new equipment. They would like to hire new workers, but they will find that the money they need to do it is getting drainery here and now.

In short, higher interest rates will wipe out the benefits of this bill for a lot of small businesses and add pain to the tax hikes that are going to hit millions of families. The only businesses and individuals who will benefit from the effects I just described are those sitting on mountains of cash—those who will never need to borrow to get ahead. That is just one of the latest of truly frightening details about what this destructive bill would do.

If there was any doubt remaining, it is clear based on those tax experts that individual working Americans and families are going to be on the hook for handouts to multinational corporations.

Republicans have spent months shouting from the hilltops that they were bringing jobs back. The President made it a centerpiece of his campaign. Jobs are coming home, he said. Corporations that ship jobs overseas are going to be punished. The plight of so many mill and factory towns is over. It is too bad that those talking points from stump speeches and interviews made it into this paper, because the tax plan that is actually before the Senate does the opposite.

Under the new notion of taxes for American companies overseas called the territorial system, corporations will get a bigger tax cut if they lay off their American workers here in the United States, pack up, and move abroad. It creates colossal new loopholes, a true bonanza of new tax gifts for the tax cheats, for the people who are paying the price. The only businesses and individuals who will benefit from this destructive bill would do.

When it comes to international tax rules, my view is that the United States shouldn’t get suckerized into a race to the bottom of no-tax, resort-lined islands to please the tax avoidance industry and their lobbyists. That is a truly expensive competition in terms of taxpayer dollars and jobs, but this Republican plan forces working Americans to pay up.

The tax experts we rely on here in the Congress make it clear that the Republican corporate tax scheme loses
revenue, but the individual tax changes raise revenue. That is a whole lot of tax lingo for saying that working people are going to get fleeced so that multinational corporations can pay a lot less.

Here is how it is going to work. More and more Americans will face a tax hike with every passing year. Stealthy tax tricks will force people into higher tax brackets over time, heaping a heavier burden on their shoulders. Millions of workers are going to lose their healthcare and the tax credits that make insurance affordable for them and their family. Put all together, it is an immense amount of money being taken from people who are already walking an economic tightrope—an economic tightrope in North Carolina and Oregon and everywhere else—where they balance food costs against the fuel bill and the fuel bill against the cost of housing. An immense amount of money is being taken from them and being handed to multinational corporations that ship jobs overseas.

This is not a plan to create red, white, and blue jobs. This is not a plan to turn the lights back on in factories that were dark for years. This is a plan to sell out millions of Americans—American workers and their families—and the damage will get even worse when the deficit climbs into the stratosphere.

As I begin to touch on the deficit, I want to note that it didn’t have to be this way. I wrote two fully bipartisan Federal income tax reform bills with our colleagues. I believe they were here before the Senate from North Carolina joined us: Dan Coats, now the head of national intelligence, and Judd Gregg, the former Republican chair of the Budget Committee. The three of us—Senator Gregg first, then Senator Coats—made changes to ensure that America could be competitive for red, white, and blue jobs. We understood that you had to have a competitive rate to grow those companies. But we certainly didn’t create new breaks for shipping jobs overseas, and—because I am going to touch on the deficit now—our proposal was revenue neutral.

So it didn’t have to be this way. That is what Senator MANCHIN and Senator KAINESaid yesterday, along with 17 Democrats. It should have been a bipartisan alternative that didn’t create new incentives for shipping jobs overseas and that didn’t jack up the deficit, but I certainly was surprised when I saw early on that Senate Republicans, who had given so many speeches on their concern about the deficit, said: It is kind of OK with us if we have a net deficit of $1.5 trillion. And as the Joint Committee on Taxation has essentially indicated to me, it would be higher than that.

All of the deficit hawks in the Republican Party just flew away. That was surprising because it seems like just yesterday when the Congress couldn’t buy lunch without a whole cast of Republican deficit hawks doing some pretty serious hollowing about the deficit. But based on history, what is coming next is pretty predictable. We have seen the movie before. The deficit doesn’t change after ideas like the one we are looking at in the Senate become law. We have already heard the Speaker say, what is next? Entitlement reform, which means Medicare, Medicaid, and anti-hunger programs.

The Speaker said that is what is next. That is next on the docket. Everybody listening ought to know that is code for attack, and it is multiple fronts on these kinds of programs for the middle class. But what if, my goodness, America can’t afford the safety net. They will say we have to do something. Instead of being willing to go after the people at the top, history says the people who really face the burden of those deficit reductions are the most vulnerable.

The first big legislative push after the Bush tax cuts, for example, was an all-out assault on Social Security. The fact that it was stopped doesn’t mean Medicare or Medicaid or other safety net programs like Social Security are going to be safe this time around.

The policy on offer, in my view, is simply a disaster. It makes a mockery of the approach Ronald Reagan took with a big group of Democrats. I know so many of my colleagues on the other side of the aisle admire President Reagan greatly. This bill is the opposite of what President Reagan did.

What President Reagan said is he was told to those big multinational corporations: I have to ask you to give up some money in order to make sure the middle class, the individual ratepayer, will get a fair shake.

This is just the opposite—180 degrees away from what Ronald Reagan did. We are going to have an amendment on the middle class pretty soon, but what could be more stark than the fact that the tax cuts for the multinationals are permanent, and the relief for the middle class is temporary. This bill is the opposite, the total opposite, of what Ronald Reagan worked on in 1986.

Our country was not and I have worked with him often, and I am sad to see us have such differing views on this—said we have had 70 hearings. I can tell you, the once storied Senate Finance Committee never even at tempted to write a bipartisan bill. We said for months that was our preference. That was what was stated in the letter the vast majority of Senate Democrats signed. That is what we said when we were invited to the White House to meet with the President. We said it repeatedly.

I mentioned the two bills I wrote. They are the only two bipartisan Federal income tax reform bills—the only two we have had since 1986. By the way, they didn’t go as far as Ronald Reagan went. Ronald Reagan, in 1986, said, for purposes of taxes, a dollar is a dollar is a dollar.

We are going to have the same rate for those who make money on investments that we do for those cops and nurses who get that wage, that ordinary income. I have indicated on the floor that Senator Baker, my New York Knick—and as I like to say, another tall Democrat who served on the Senate Finance Committee with a much better jump shot than mine—is incredulous at this process. He is just slack-jawed when he asks about what is being done to bring both sides together.

Senator Bradley, and others on the Republican side, in 1986, flew all over the United States to get together with senior Republicans and Jim Baker, Richard Dorman, and others to talk about the specifics of getting bipartisan tax reform together. You hear the stories, and you see that is the way you tackle an issue like this. Bill Bradley flew all over the country to work with Republicans to get a bipartisan tax reform bill. Right now, the majority on the Senate Finance Committee wouldn’t walk down the corridor of the Dirksen building once to talk about anything resembling what we would put together a bipartisan proposal. So the process we have seen here makes a mockery out of Reagan-style reform.

Some have asked, was this foreordained, did it have to be this way? We have already made it clear that I don’t think it had to be. It is hard work putting together a bipartisan bill. Senator Gregg, for example, when he was in the Senate, I think was one of Leader MCCONNELL’s top economic advisers—chairman of the Budget Committee. We used to say in our house, Judd Gregg is scary smart. We sat next to each other in chairs in our office for almost 2 years to put together a bill. It is heavy lift but it can be done. It is sad to see that work was brought into other efforts since then—the question of the Bush proposal, bipartisan commissions, or a variety of other ones. It is pretty hard to do when the majority leader says, on the first day, the very first day out, we are going to use the most partisan process—budget reconciliation and, in effect, say: What we are telling the other party is we don’t want your ideas because we don’t need your votes. Sometimes it got ridiculous because I know there were times when statements were made by the Republican leadership that no Democrats were interested in bipartisan tax reform, despite the fact that in the few hearings we had when I was an official I would call and ask our opinion, Senate Democrats would meet. That was the point of the press conference that was held yesterday with 17 Democrats from various parts of the country, as well as legislation I have described that was written.

By the way, in the work product Republicans finally produced, they took
some of the ideas from the bipartisan bills; for example, increasing the standard deduction, but we tripled the standard deduction without any takeaways, like the State and local deduction or the permanent exemptions, and what that meant is, in the bipartisan budget bill, proposed solutions like that, people adjust their wages, and immediately working-class folks get hundreds and hundreds of dollars more in every paycheck. Not only were there no discussions—and I have seen Republicans stand up and say: What are we doing? Nothing could be further from the truth, whether it is on the international provisions I mentioned or the personal provisions. I was so proud to stand with Senate Democrats in a meeting yesterday put together by Senators Manchin and Kaine, once again, stating that it doesn’t have to be this way.

What is the rush to take taxes for multinational corporations from 35 to 20 percent? Back when I was working with Senator Gregg and Senator Coats, the Republicans, we didn’t have multinational corporations saying we should go to 20 percent. The difference between 25 and 20 percent is $500 billion.

My colleagues yesterday were saying moderate Democrats—we are serious about tax reform, both on the individual and the corporate side, but it ought to be based on bipartisan give-and-take, not something like we have seen.

Republicans in Congress and the administration’s top salesmen have spent months and months telling the American people that in the long run, their bill is going to pay for itself with expansive growth. They had cheerleaders, those who cooked up these phony growth forecasts based on revenue-neutral reform proposals that don’t exist. Republicans will tell you these cuts don’t pay for themselves. In fact, when we had a chance to have some discussion about a specific bill but some ideas about taxes, the Republican economists who were before the Finance Committee said the tax cuts wouldn’t pay for themselves.

What are some of the ideas from the bipartisan bills that people adjust their wages, and immediately working-class folks get hundreds and hundreds of dollars more in every paycheck. Not only were there no discussions—and I have seen Republicans stand up and say: What are we doing? Nothing could be further from the truth, whether it is on the international provisions I mentioned or the personal provisions. I was so proud to stand with Senate Democrats in a meeting yesterday put together by Senators Manchin and Kaine, once again, stating that it doesn’t have to be this way.

What is the rush to take taxes for multinational corporations from 35 to 20 percent? Back when I was working with Senator Gregg and Senator Coats, the Republicans, we didn’t have multinational corporations saying we should go to 20 percent. The difference between 25 and 20 percent is $500 billion.

My colleagues yesterday were saying moderate Democrats—we are serious about tax reform, both on the individual and the corporate side, but it ought to be based on bipartisan give-and-take, not something like we have seen.

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The honest predictions say that any changes in the Tax Code has grown out of control. It has been a dream come true for whom? The professionals in accounting and the lobbyists who profit from this. But it happens to be a real nightmare for most Americans. I would say, for most Members of Congress, as one reads regularly, very few Members of Congress do their own taxes.

The outdated Tax Code helps the powerful and the well-connected hurt American workers. It hurts American industry, and it hurts America’s ability to compete with the rest of the world. That means lower wages and less employment.

The bill that passed out of the Finance Committee moves us very much in the right direction to make our Tax Code simpler, fairer, and more competitive. At the heart of the legislation is a middle-class tax cut. A typical family of four with two children making $59,000 a year could see a tax cut of more than $1,700. That is very significant tax relief, but you would never know it by listening to the rhetoric of the Republicans. They are missing the big picture. They have repeatedly recited the tired line that Republicans are only interested in giving tax cuts to the wealthy. In fact, they began pushing that narrative even before this bill was written. In_getting back to Sept._the Senate was analyzing a bill that didn’t even exist. It was a charge made by a document that was put out, called the Big Six framework. But the framework was no piece of legislation; it merely provided guidelines from which to start for the tax-writing committees.

The partisan Tax Policy Center then filled in the gaps with policy assumptions and crafted an analysis to fit its narrative and its analysis of a piece of legislation that had not even been written. The problem is that its narrative hasn’t changed. The Finance Committee provided policy details that it should have used to change its narrative. For example, this bill will still have the same old rhetoric. I think even the Tax Policy Center would have to agree that the Finance Committee’s product differs drastically from the underlying assumptions of its initial analysis.

Republicans will say that the Tax Policy Center says about the tax law that we ought to pass in comparison to our bill, and you will see that there seems to be a real closeness in some of the ideas that ought to be done that we get from the left that are in this bill, but they don’t even recognize it.

The Finance Committee used all of the available tools it was granted under the unified framework to target middle-income taxpayers and retain the progressivity of the Tax Code. Let’s take a look at some of the major features of the Finance’s bill and how it provides relief for the Nation’s middle-class and low-income earners. First, it nearly doubles the standard deduction, which means that many lower income Americans will be removed from the tax rolls completely and that tax filing season will be simpler for millions more. Second, it doubles the child tax credit from $1,000 to $2,000 and moderately increases its refundability. Both of these are made possible in large part by repealing personal exemptions. Personal exemptions for the taxpayer and spouse help to increase the standard deduction, and the personal exemptions for children help with increasing the child tax credit.

Interestingly enough, these provisions mirror a proposal that was put out by the leftwing Tax Policy Center. In fact, the number of just a few years ago is nearly identical to the Finance bill, the very liberal Tax Policy Center’s paper argued for repealing personal exemptions, nearly doubling the standard deduction, and increasing the child tax credit to $2,012. According to the authors of the liberal Tax Policy Center’s proposal, such a change would “reduce complexity, remove inequities, and mitigate marriage penalties.” That is exactly what the bill before the Senate does; they don’t even recognize that. They sure wanted that as a goal last year.

The fact is that these changes provide more tax relief to the middle class and at the same time simplify the Tax Code. As the liberal Tax Policy Center’s paper points out, the value of the personal exemption is largely dependent on the tax bracket of the taxpayer. The higher the tax bracket, the more benefit that comes from the personal exemption. In comparison, the child tax credit provides a tax credit to the taxpayer’s tax liability dollar for dollar regardless of the tax bracket. As a result, repealing the personal exemption
in favor of expanding the child tax credit makes the Tax Code more progressive and targets more relief to lower and middle-income taxpayers.

Admittedly, there are some differences between what was suggested by the Policy Center and what is in the bill before us. Its proposal would have been more generous on the refundable feature of the child tax credit, but on the opposite end, it would have made the child tax credit available to everyone, including to millionaires. The current version is less generous to the affluent because it phases out the credit for married taxpayers with incomes of over $500,000. One would think that those on the other side—meaning the Democratic Party—in their finding fault with this bill, would offer some credit for taking this rather progressive approach to providing family tax relief, but no. They continue repeating their line over and over that this bill is a tax cut for the wealthy.

Another major feature of the Finance's bill that provides relief to middle-class and lower income earners is the reduction of tax rates for middle-bracket taxpayers. First, it retains the 10-percent rate, which many on the other side expressed concern about being repealed based on the Big Six framework. They were wrong in using the framework, but they have not admitted that.

Next, it lowers the current law's 15-percent bracket to 12 percent and expands its applicability. Additionally, it reduces what is essentially the current law bracket of 25 percent down to 22 percent and what is essentially today's current law 28-percent bracket to a much wider 24-percent bracket. These rate reductions target tax relief to the very heart of America's middle class.

One may be wondering how this middle-of-the-road tax cut bill will be financed—largely by repealing the State and local tax deduction, also known as the SALT deduction. Our colleagues on the other side have tried to argue that the repealing of the State and local tax deduction is a tax increase on the middle class. Nothing could be further from the truth in considering the reduced tax brackets, which I just discussed, in combination with the higher standard deduction and the doubled child tax credit.

The repeal of the State and local tax deduction is actually a very key piece of this legislation that makes the middle-class tax cuts possible. The State and local tax deduction overwhelmingly benefits so-called wealthy: who our colleagues on the other side vehemently argue should receive no tax benefits under this bill.

I am going to tell you now how the liberal elements in this town see the State and local tax deduction as something that simply has to go when it is paid for. They believe that all current law tax deduction benefit goes to taxpayers with incomes exceeding $500,000. So we do away with the State and local tax deduction because it benefits wealthy people, and they don't give us any credit for it. I keep noting no one is commenting on the incomes of half a million or more make up only about 1 percent of all tax filers, making it a very lopsided benefit. Here is what the very leftwing Center for American Progress has said about the State and local tax deduction:

"The deduction for state and local taxes disproportionately benefits high-income taxpayers, property owners, and residents of high-tax states. That is because these groups pay the most state and local taxes. This deduction benefit goes to taxpayers with incomes exceeding $500,000, which is why we are doing away with it. Don't way, and now they are complaining being repealed based on the Big Six framework finding fault with this bill even before it was written—about 40 percent of the State and local tax deduction benefit goes to taxpayers with incomes exceeding $500,000. So we do away with the State and local tax deduction because it benefits wealthy people, and they don't give us any credit for it.

I just finished quoting the Center for American Progress, which said that the State and local tax deduction ought to be done away with because it benefits wealthy people. Yet they complain to us that our tax bill is a tax benefit for the wealthy.

To further illustrate who eliminating the State and local tax benefit really hits, I would like to highlight a recent Bloomberg article entitled "Tax-Hike Fears Triger Talk of Exodus From Manhattan and Greenwich." This article is not about the concerns of middle-class police officers or teachers on repeal of the State and local tax deduction. Instead, it highlights concerns of wealthy hedge fund managers who may now consider moving out of the high-tax State of New York. The Bloomberg article states:

"The problem for the Connecticut hedge fund set—and, more broadly, for a lot of the Wall Street crowd—is that Republican proposals in both the House and Senate would drive up taxes for many high-earners in the New York City area. By eliminating the deduction for most state and local taxes, an individual making a yearly salary of $1 million . . . would owe the Internal Revenue Service an additional $21,000."

This legislation repeals that deduction and makes the person making a yearly salary of $1 million pay $21,000 more in taxes, and liberal groups are proposing doing away with it, and we put it in our bill so that we don't let these wealthy people get the benefit of the tax deduction, and they don't recognize it. So I ask my colleagues on the left: Are you prepared to go to bat over SALT deductions for millionaire hedge fund managers?

From listening to my Democratic colleagues' rhetoric, I am really surprised by this article. I thought Republicans were going for the "lost for the wealthy" and giveaways to Wall Street. But this article suggests otherwise. In fact, these types of taxpayers are likely to experience sizable tax hikes under the proposal on the Senate floor now.

According to the nonpartisan Joint Committee on Taxation, for 2023, nearly 30 percent of taxpayers with incomes over $1 million will experience a tax hike. That does not sound like a giveaway to the wealthy to me.

I yield the floor. Mr. WYDEN. Mr. President, I ask unanimous consent that motions to commit be printed in the RECORD.

According to the nonpartisan Joint Committee on Taxation, the material was ordered to be printed in the RECORD, as follows:

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. Wyden moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

(1) are within the jurisdiction of such committee; and

(2) eliminate provisions that would raise taxes on millions of middle class taxpayers.

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(1) are within the jurisdiction of such committee; and

(2) are made through regular order and a bipartisan process resulting in substantive provisions contributed by both parties.

The PRESIDING OFFICER (Mr. LEAHY). The Senator from New Hampshire.

Mrs. SHAHEEN. Mr. President, I agree with my colleagues that we need tax reform, but we need tax reform that simplifies the Tax Code, bolsters the middle class, and helps small businesses to create jobs. I think we can do that, and we can do that in a fiscally responsible way, but we need to work together, Republicans and Democrats, as we did the last time we did tax reform.

Unfortunately, these priorities are not reflected in the bill that is before us. Instead, it is a partisan, fiscally irresponsible giveaway to the wealthy and the largest corporations in this country, and it comes at the expense of the middle class and small businesses.

We know that the wealthiest Americans will see massive tax breaks from this bill, including President Trump himself. In fact, the New York Times has estimated that President Trump and his family would save more than $1 billion from this tax bill.

How does this legislation pay for these tax cuts? Well, it asks today's middle class and future generations to foot the bill. The nonpartisan analysis from the Joint Committee on Taxation has found that the bill will raise taxes on millions of middle-class families making less than $75,000 a year. The bill sunsets any middle-class tax cuts in 2026, and at the same time it increases the national debt by $1.5 trillion.

I think the headline in the current Forbes Magazine says it all. It says...
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November 29, 2017

CONGRESSIONAL RECORD — SENATE

S7399

“The GOP Tax Bill Is The End Of All Economic Sanity In Washington.” As more people look at this bill, they are beginning to see how it will hurt middle-class families across the country.

Over the past few weeks, I have heard more concerns from people throughout New Hampshire about this bill than any other tax bill in recent history. I want to take a minute to highlight some of these concerns. I met recently with the New Hampshire Realtors and homebuilders. They are major advocates for home ownership in New Hampshire. They told me that this bill is nothing short of an attack on home ownership. In particular, they are concerned about the impact of repealing the State and local tax deduction, which would be a huge hit to middle-class families in New Hampshire. Right now, more than 200,000 Granite State homeowners use the State and local tax deductions so that they are not double-taxed. That is about one-third of taxpayers in New Hampshire. It is particularly concerning to me that the property taxes account for 66 percent of all State and local taxes. That is a higher share than any other State in the country.

Homeowners are also concerned about proposals to limit the mortgage interest deduction, including on home equity lines of credit, where homeowners in New Hampshire are going to get hurt more than others because we have approximately 14 percent of homeowners who have a home equity line of credit, compared to 3.8 percent nationally. The result is, according to the Realtors and the homebuilders, that home values will decline significantly.

According to the Association of Realtors, this bill will put downward pressure on home values by as much as 18 percent in New Hampshire and 10 percent nationally. If we look at this chart for New Hampshire, we can extrapolate this across the rest of the economy.

If we look at this tax bill, this is the impact on homeowners in New Hampshire. Values are going to be reduced by about 18 percent. That is equivalent to what we saw after the financial meltdown in 2008, where, again, we had about that same reduction in property values—about 18 percent. That is a huge hit for us in New Hampshire and for people across the country.

I also heard significant concerns from students, colleges, and businesses that this bill will raise taxes on students trying to get the skills they need to get ahead. That is really crazy because when we are trying to create the workforce we need for the future. The House bill, for example, would eliminate the ability of individuals to deduct the interest on their student loans, and it would tax graduate students on tuition assistance. I heard from a graduate student who, right now, is making $20,000 a year on a stipend. That is what he is trying to live on. If this bill goes into effect, he will pay $5,000 of that in taxes. It doesn’t make sense because we are trying to encourage our students to get graduate and higher education degrees so that they can take on the jobs of the future.

Again, in New Hampshire, it is a particular problem, where student loan debt is the national average. For the graduating class of 2016, New Hampshire had the highest per capita student loan debt in the country. The average debt for New Hampshire graduates was $36,367. We know, nationally, student loan debt has roughly tripled since 2004 to this staggering $1.3 trillion. That is higher than the total credit card debt. What this legislation is likely to do is to make that worse for young people who are trying to get out of college, have their student loans paid, get married, start families, buy a house. If they continue to have this impact, they are not going to be able to do any of those things.

The top challenge that faces New Hampshire and so many businesses across this country is finding skilled workers. The last thing we should be doing is making education more expensive.

I also serve as the ranking member on the Joint Committee. Small businesses employ more than half of our workforce. They make up more than 99 percent of all employers. We need to work in a bipartisan way to enact tax reform that supports our small businesses. Again, this bill, unfortunately, doesn’t provide meaningful reform for small businesses and the problems they are facing with the Tax Code. First of all, this bill doesn’t address the top issue that we have heard from small businesses—tax simplification and the cutting of redtape in our Tax Code.

For entrepreneurs, time is one of their most valuable resources. Every wasted hour spent filling out forms or navigating confusing tax rules is an hour they can’t spend innovating, marketing, and growing their businesses. The tax system is so difficult to navigate that 89 percent of small businesses turn to outside tax preparers to fill out their forms and file their returns. The compliance burden for small businesses is 67 percent higher than it is for large businesses, and it costs about $18 billion annually.

Tax reform should be an opportunity to help us help small businesses focus on what they do best, and that is running their businesses. Instead, this bill will result in even more redtape and complexity.

According to a former Joint Committee on Taxation economist, if this bill becomes law, Treasury will be writing regulations and Congress will be enacting technical corrections for years. There are more ticking time bombs in this bill than in a Roadrunner cartoon.

A recent poll of small business owners from Businesses for Responsible Tax Reform found that a majority of them oppose the plan. This is polling that has just been done in the last week; 61 percent oppose, and only 28 percent support.

Small businesses are even more concerned about the impact this tax bill will have on our debt and deficit. In fact, 61 percent of small business owners are raising the debt by $1.5 trillion to pay for tax cuts.

Increasing the debt will inhibit our ability to address the real challenges facing small businesses, such as educating a skilled workforce, building out broadband in rural areas, and fixing our broken infrastructure.

Then there is the repeal of the individual mandate, which is a part of this tax proposal. According to CBO, repealing the individual mandate, if this bill does, would cause 13 million Americans to become uninsured by 2027. It would sharply raise premiums for those who purchase insurance on the individual market.

Now, we have heard from our colleagues that they think that including the Alexander-Murray legislation would help address that, but that is not designed to address the underlying healthcare bill that we have in this country. All that will do is address the uncertainty in the marketplace, but what it does, would cause 13 million Americans to become uninsured by 2027. It would sharply raise premiums for those who purchase insurance on the individual market.

Repealing the individual mandate is going to deny health insurance to millions of Americans. It is going to cost middle-income families more, and, ultimately, it is going to have an impact on people’s abilities to provide for their families and the long-term health of this Nation. That is not the kind of investment we should be making in the future of this country.

There are many more issues with this tax bill, but my time is limited. If we look at the opposition to the impact of this bill, there are so many organizations: the Realtors, the homebuilders, the AARP, and the Fraternal Order of Police. They have all come in opposition, and that is just to name a few.

I have heard from nearly 3,000 Granite Staters who have expressed their opposition to the impact of this bill, and as more and more people have a chance to read it, that number is going to continue to grow.

You know I want to work with my colleagues here. I think Republicans and Democrats should genuinely reform the Tax Code. It is long overdue. But we need to do it in a way that is transparent, that looks at where we want to go in the future and what we need to be investing in in this country.

We need to work in a bipartisan way that puts the middle class and small businesses first and that doesn’t leave a massive debt for our children and grandchildren. If this legislation, that is exactly what we are going to be doing—leaving future generations to deal with a massive debt without
the benefits of the investment that we should be making in this country.

So it is a sad day for America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Mr. President, I am honored to follow my distinguished colleague from New Hampshire and begin, actually, where she finished. This massive tax cut has indeed so many bombs that we have only known at the moment because it has been rushed and rammed through this body, as well as the House, without the kind of regular order that should be given—the intense scrutiny and attention that is due a historic, massive measure of this kind.

The idea that it has regular order is absolutely absurd. If this is regular order, it is surely regular order lite. There are mere sessions of hearings—barely an excuse for hearings—no real markup, no real opportunity for the public to be heard, no real scrutiny of the complicated and numerous provisions that will affect people for years decades, maybe generations to come.

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There are winners and losers in this measure. Let’s be very blunt. The winners are the wealthy. The losers are the middle class. The winners are special interests. The losers are the American people. The winners are people who make it for themselves. The losers are people who are pulling up the American Dream and make it for themselves, people who are pulling up the ladder for others to climb and to make it real for them.

The measure that we have before us is the result of a promise—middle-class tax cuts—and that promise was made by Donald Trump, who said also that he would not benefit. He sent his Small Business Administration Administrator, Linda McMahon, to Connecticut to say: “Everyone will experience a tax cut.”

This plan is a scam. Yes, some people will receive a tax cut initially, but if you earn less than $75,000 within the next decade, you will be worse off under this plan. In Connecticut that means that 465,000 taxpayers in the bottom 80 percent of income distribution will experience a tax hike under this plan. The majority of people in Connecticut are losers, even though there may be a wealthy segment at the very top of the income distribution who are winners.

Our children and grandchildren are surely losers because they will inherit the whirlwind of additional debt. The $1.5 trillion underestimates the amount of debt that will be added. I saw a cartoon in one of the newspapers that showed a rowboat filled with water, and one of the characters said to the other: Drill another hole in the bottom of the boat. And the sea was the Dead Sea. That is what this measure does. It fills our boat—not only ours but our children’s and grandchildren’s boats—with additional debt. They are losers even though the wealthiest are winners.

The losers include, also, first responders. Earlier this month, the president of the Fraternal Order of Police wrote a letter to the House and the Senate leadership urging Members of Congress to protect the State and local deduction as it is. This measure eliminates that and local deduction, devastating for Connecticut but also for first responders, firemen, and police across the country, and our teachers who depend on the adequacy of Federal funding for essential services, which will be reduced.

Because there is no incentive for State and local taxes—they can’t be deducted anymore—States like Connecticut, New York, and California, we know are the losers and our middle-class taxpayers are losers. That is why the National Education Association has found that gutting the State and local tax deduction will seriously harm already underfunded public education, risking the educational future of our children, including over 5,000 teacher jobs in the State of Connecticut. It will lead to about $250 billion in cuts in public education over the next decade. While we are talking about education, there is eliminating the deduction for interest on student loans. What could be more stupid at a time when we are encouraging young people to invest in their futures and we should be investing in them?

Ultimately, also, the losers are our job creators, the folks who need infrastructure, which will go unrepaired. Our roads, bridges, railroads, VA facilities, broadband, airports, and ports are all desperately in need of rebuilding—not just repair but true rebuilding, modernization, and innovation.

There is no requirement or opportunity here for repatriation of the trillions of dollars parked overseas. There is no provision for any sort of incentive for companies to repatriate and invest in an infrastructure bank. So we will continue to see neglect and disregard for that very important infrastructure. It is clear who will be the winners. Despite all these losers, corporations that move overseas to evade taxes and benefit from special interest loopholes to lower their effective tax rates are going to be richly rewarded.

Senate Republicans have decided to open the Arctic National Wildlife Refuge for oil and gas drilling. The wealthiest are winners. The measure that we have before us is the result of a promise—middle-class tax cuts—and that promise was made by Donald Trump, who said also that he would not benefit. He sent his Small Business Administration Administrator, Linda McMahon, to Connecticut to say: “Everyone will experience a tax cut.”

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earned money, but it also means that simplifying the code will help them save money in tax preparation as well. According to the nonpartisan Tax Foundation, a married couple with two kids making $50,000 per year, will see their taxes reduced by $2,624. This reform provides money that will allow Americans to plan for their future and to pay their bills. It can be a downpayment on a house or it can be put away for future college tuition or for retirement. It gives millions of earners more empowerment to use these savings for their lives as they see fit.

Simplifying the code isn’t the only family-focused provision included in this legislation. The Senate bill doubles the child tax credit from $1,000 to $2,000 per child. According to the Department of Agriculture, parents of a child born in 2015 are likely to spend more than $238,000 raising a child to age 17. That doesn’t even include college tuition. Doubling the child tax credit will allow families to keep up to an additional $4,000 every year if they have two children or more. This credit builds a stronger future by helping families all across our country keep more money to raise happy and healthy children.

In addition to these changes, this legislation will preserve many other popular deductions. This includes the charitable deduction, medical expense deduction, the student loan interest deduction, the mortgage interest deduction, and the low-income housing tax credit. This bill also continues popular savings programs such as the 401(k)s and individual retirement accounts. These saving incentives are key tools that allow individuals to provide for their families and to prepare for retirement. It empowers Americans to plan ahead.

There are also commonsense provisions in this bill that have been overlooked during the current debate. These are changes everyone here can agree are long overdue. For example, this reform takes away the tax-exempt status for professional sports leagues. We all love sports, but professional sports leagues like the NFL and the PGA shouldn’t be allowed to use exemptions for nonprofits to avoid paying taxes. These are for-profit leagues whose commissioners make tens of millions of dollars. They should be treated for what they are, and that is a money-making enterprise.

I also want to take the time to address a misconception. Some have argued that this bill will tax the tuition waivers graduate students receive from their universities as a part of attending to their studies. There is no such provision. Ph.D. research is a staple of higher education, and it drives our Nation’s innovation. It helps us better understand our world and often leads to incredible technological advancements. We need the support from these studies, and none of us want to make it more difficult to obtain graduate degrees or do research at the highest levels. We will not be taxing you for tuition you don’t pay while earning a master’s or doctorate degree.

There are some other important provisions in this bill that haven’t gotten the attention they deserve, and I want to take a moment to talk about some of them. The Senate tax reform retains nearly all of the education incentives that are present in the current Tax Code for students and for teachers. For example, we keep the Hope credit, which allows taxpayers who pay up to $2,500 per child each year, for qualified tuition or related expenses. We also keep both the Coverdell and the 529 education savings accounts. These accounts promote saving for school, and they help parents prepare for future tuition. Finally, we double the educator deduction, which helps teachers make their classrooms as friendly for learning as possible. This is a pro-education tax reform bill, and it acknowledges education is a key to our country’s future.

We must also recognize that our economy has changed over the last few decades, and our Tax Code needs to catch up to the times. We have the chance to make history, one that will help families juggling their responsibilities between home and the workplace.

This plan has the potential to make life much easier for working families across our country by providing a tax credit as large as 25 percent for employers who offer up to 12 weeks of paid family leave to their employees. Under programs set up by employers, employees would be able to take an hour, a day, or weeks off for purposes like taking care of a new or ailing family member or to make sure they get to a doctor’s appointment. They could also take maternity or paternity leave to bond with a newborn or recently adopted child.

In 21st century America, the number of dual-income households is on the rise. According to the Department of Labor, 70 percent of mothers with children under 19 participate in the labor force, with over 75 percent employed full time. For those without the means to take paid time off, the burdens of caregiving are a real burden. A recent study from the Pew Research Center found that most individuals who make higher salaries usually have access to some kind of paid family leave, but those making less than that are not always covered. This is why my paid family leave plan limits eligibility to those earning below $72,000 per year. We want these benefits to target hourly and lower salaried workers. We want to increase access to paid family leave for those who need it the most.

While my friends on the other side of the aisle focus on the stick approach to paid family leave—pushing mandates or the creation of new government programs—this bill pursues the carrot approach, and Americans agree with us. A recent study showed that 87 percent of Americans supported a limited government approach that enables employers to provide the benefit themselves.

It is not hard to understand why. The plan balances the need of 21st century workers with the real-world challenges that small businesses face today. Eric Dinger, who is the CEO of a Lincoln based company that expanded to Omaha, put it the best. Eric told me:

I want to offer my employees paid leave, but a mandate forcing me to do so would be hard. I have to make payroll. [The Strong Family Act] is much more workable and wouldn’t provide a disincentive to hire anyone.

I agree.

Another of my constituents, Alison Ritter—an employee at Applied Systems, Inc., in Lincoln—is helping her company’s leadership develop a paid leave policy. In reaction to my bill being included in the tax reform proposal before us, she told me:

This concept would change the game for many newborn babies and their parents, allowing them the time they need to bond and establish a nursing routine without as much of the stress and guilt they face today. It would provide families with the financial support they need in order to do what’s best for their family, but also help businesses that struggle with putting a plan in place due to the financial burdens abstractions create... Our country wins when we focus on and invest in healthier families.

Sara Rasby, who is the co-owner of Lotus House of Yoga, which has locations across my State agreed:

It is refreshing to see a policy that supports the family and small business unit. As co-owner of a small business and a mother of two young children, I know firsthand how challenging it can be to balance. A mother and/or family needs time to adjust and bond. . . . This bill would help parents, families, and small business owners be more aware of the financial benefits that come with maternity leave. Additionally, it will create more community awareness on the importance of supporting the family structure through policy.

We need to get this done for people like Eric, Alison, Sara, and other business owners, caregivers, and working parents throughout the country.

I also said my goal in this process is to promote policies that will ensure small businesses and the millions of Americans they employ are over 29 million small businesses throughout our country, and these small firms drive our economy. They have generated over 60 percent of the new jobs created over the last two decades and have made up nearly 98 percent of our exports. They are often the face of our country to the world.

This reform will provide small businesses with additional incentives to invest and grow. When small businesses make money, they invest it back into the local and the local economy. Places like Lincoln and Omaha are well known to the entrepreneur community as bustling hubs of
innovation. This bill provides a 17.4-percent deduction for the large majority of small businesses, which will lower their tax bills and give them more financial flexibility. The preservation of things like the 1031 like-kind exchanges and the stepped-up basis will further help our small businesses, especially agriculture businesses.

Small businesses don’t have the professional resources to deal with the Tax Code that comes in at over 74,000 pages. Simply doing taxes—let alone paying them—has become a burden on too many of our small companies. Moreover, they cannot take advantage of all the corporate deductions or the little-known loopholes like big companies can. This is not fair. It hurts our competitiveness globally, stifles strong economic growth, and it favors big corporations, which have offices full of lawyers and accountants. This tax reform lessens this disparity and deserves support from everyone who wants to promote American entrepreneurialism.

Lastly, this legislation goes a long way toward making America competitive internationally. A large part of this is lowering the corporate tax rate. At 35 percent, America’s corporate tax rate is a full 13 percentage points higher than the average rate of our competitors from the developed world. This is a big reason why companies are fleeing our shores, and they are choosing to set up their headquarters or invest outside of America. These so-called inversions have been on the rise in recent years, and there is little reason to think that trend will reverse if we stand by and do nothing.

This legislation will put us in line with our trading partners and, once again, make America an attractive place for business, which will lead to more jobs and higher wages for our country.

The PRESIDING OFFICER. The Senator from Oregon.

MOTION TO COMMIT

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for 3 minutes to wrap up on the first vote we are going to have on my motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WYDEN. Mr. President, this first motion, the first motion the Senate is going to vote on, is a straightforward proposal that the motion says I would send this bill back to the Senate Finance Committee on a bipartisan basis and come up with a plan that actually works for the middle class.

I am going to wrap up just by recapping the Republican rhetoric on this tax plan. First, it was said to be a guaranteed middle-class tax cut. Then, it was merely focused on the middle class. Next, it was an average tax cut across a variety of income cohorts. Now the numbers are actually in. Republicans want to run up enough red ink to threaten Medicare and Social Security and still raise taxes on more than half of the middle class. The Senate, on a bipartisan basis, can do better than this.

I urge my colleagues to support this proposal to send the bill back to the Finance Committee, and, on a bipartisan basis, come up with tax reform that actually works for the middle class.

I yield back.

The PRESIDING OFFICER. The question is on agreeing to the Wyden motion.

Mr. WYDEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. CORNYN. The following Senators is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER (Mr. GARDNER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 51, as follows:

[Roll Call Vote No. 285 Leg.]

YEAS—48

Baldwin  Gilibrand  Murray  
Bennet  Harris  Nelson  
Blumenthal  Hassan  Peters  
Boozman  Hoeven  Rounds  
Brown  Hirono  Sanders  
Cantwell  Kaine  Schumer  
Cardin  King  Shaheen  
Casper  King  Sherrod  
Coons  Leahy  Tester  
Curtis  Manchin  Udall  
Donnelly  Menendez  Van Hollen  
Duckworth  McCaskill  Warner  
Durbin  Merkley  Whitehouse  
Feinstein  Murphy  Wyden  
Franken  

NAYS—51

Alexander  Fischer  Paul  
Barrasso  Flake  Perdue  
Blumenthal  Gardner  Portman  
Boozman  Grassley  Risch  
Burr  Hagel  Roberts  
Capito  Harkin  Rounds  
Cassidy  Heller  Rubio  
Cochrane  Hoeven  Sasse  
Collins  Inhofe  Sc each  
Corker  Isakson  Shelby  
Coryn  Johnson  Stron ge  
Cotton  Kennedy  Sullivan  
Crapo  Lankford  Totten  
Cruz  Lee  Tillis  
Daines  McConnell  Toomey  
Enzi  Moran  Wicker  
Ernst  Murkowski  Young  

NOT VOTING—1

McCain

The motion was rejected.

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 1618

(Purpose: To improve the bill)

Mr. MCCONNELL. Mr. President, on behalf of Senators Hatch and Murray, I ask unanimous consent to the Amendment numbered 1618.

The PRESIDING OFFICER. The clerk will report.

The senior assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. McConnell), for Mr. Hatch, proposes an amendment numbered 1618.

Mr. MCCONNELL. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment is printed in today’s RECORD under “Text of Amendments.”

Mr. MCCONNELL. Mr. President, I ask unanimous consent that following leader remarks on Thursday, November 30, the Senate resume consideration of H.R. 1, with 1 hour of debate remaining on the Hatch-Murkowski amendment. I further ask that any debate time to-night count against the underlying bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MORNING BUSINESS

NATIONAL ADOPTION MONTH

Mr. GRASSLEY. Mr. President, I rise to commemorate November as National Adoption Month. During this month, we are reminded of the importance of adoption to so many families and children in Iowa and all across the country. As Americans are celebrating the season of Thanksgiving with family and friends, adoptive families are celebrating with their new families, giving thanks for the joy of somebody they adopted.

Since the first recognition of National Adoption Day 16, 17 years ago, nearly 65,000 kids have been adopted on National Adoption Day, which is always celebrated on the Saturday before Thanksgiving each year. In 2016 alone, over 4,700 adoptions were finalized on National Adoption Day.

National Adoption Month is certainly a time to celebrate the joys of a new family; however, it is also a reminder of the obstacles that so many children may face. Nationally, there are over 425,000 children in foster care. Over 100,000 of these children are hoping to be adopted. In Iowa, there are about 1,000 kids in foster care who are eligible for adoption.

This year, the special focus of National Adoption Month is older youth waiting to be adopted. Teenagers, unfortunately, face more difficulty in being adopted than do younger children.

As co-founder and co-chair of the Senate Caucus on Foster Youth, I have had the chance to hear directly from teen-agers in foster care. In fact, the Senate Caucus on Foster Youth has a couple, three seminars every year just to listen to older youth in the foster care system, particularly those who are about ready to age out. These young people tell me that, more than anything else, they want a loving family. They tell me that they need families and that nobody is too old to be adopted. The support that parents provide to teens is critical to navigating the transition to adulthood—from making decisions about higher education to finding a job or buying a car. A loving family continually provides the support teens need to succeed.
OREGON TRIBAL ECONOMIC DEVELOPMENT ACT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 249, S. 1285.

The PRESIDING OFFICER. The clerk will report the bill by title.

The senior assistant legislative clerk read as follows:

A bill (S. 1285) to allow the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of Warm Springs, and the Cow Creek Band of Umpqua Tribe of Indians to lease or transfer certain lands.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italics.)

S. 1285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Oregon Tribal Economic Development Act".

SEC. 2. APPROVAL NOT REQUIRED TO VALIDATE LAND TRANSACTIONS.

(a) In General.—Notwithstanding any other provision of law, without further approval, ratification, or authorization by the United States, the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of Warm Springs, [and] the Cow Creek Band of Umpqua Tribe of Indians, the Klamath Tribes, and the Burns Paiute Tribes may lease, sell, convey, warrant, or otherwise transfer all or any part of its interests in any real property that is not held in trust by the United States for the benefit of such tribe.

(b) Trust Land Not Affected.—Nothing in this section shall—

(1) authorize the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of Warm Springs, [and] the Cow Creek Band of Umpqua Tribe of Indians, the Klamath Tribes, and the Burns Paiute Tribes to lease, sell, convey, warrant, or otherwise transfer all or any part of its interests in any real property that is not held in trust by the United States for the benefit of such tribe;

(2) affect the operation of any law governing leasing, selling, conveying, warranting, or otherwise transferring any interest in such trust land.

Amend the title so as to read: "A bill to allow the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of Warm Springs, [and] the Cow Creek Band of Umpqua Tribe of Indians, the Klamath Tribes, and the Burns Paiute Tribes to lease or transfer certain lands."

The committee-reported title amendment was agreed to, as follows:

Amend the title so as to read: 'A bill to allow the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of Warm Springs, the Cow Creek Band of Umpqua Tribe of Indians, the Klamath Tribes, and the Burns Paiute Tribes to lease or transfer certain lands.'

TAX CUTS AND JOBS ACT—Continued

ORDERS FOR THURSDAY, NOVEMBER 30, 2017

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate convenes on Friday, November 30, further, that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and morning business be closed; finally, that following leader remarks, the Senate resume consideration of H.R. 1, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. MCCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order, following the remarks of Senators PORTMAN, VAN HOLLEN, WARREN, and WYDEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Ohio.

Mr. PORTMAN. Mr. President, tonight I want to talk about the opportunity we have before us in the Senate, and that is for tax reform that can help our middle-class families, our middle-class families. It is a once-in-a-generation opportunity.

The last time we reformed our Tax Code in any substantial way was 31 years ago. Ronald Reagan was President, and Pete Rose was still playing for the Cincinnati Reds. That is how long ago it was. In 1986, tax reform gave our economy a much needed shot in the arm, and it led to more jobs and higher wages in the 1980s and 1990s. Now, 31 years later, after a decade of disappointing growth and flat wages, we need that shot in the arm again.

We need a tax code that better reflects the needs of today's workers, today's families, and our 21st century economy. There is bipartisan agreement that the Tax Code is broken—hopelessly broken—and it is up to Congress to fix it. No one else can.

Through the Tax Cuts and Jobs Act now before us, we have a chance in the Congress to create a better economy and a better future. We have to get this done for the people we represent. It starts with tax cuts for the middle class. While the economy has seen some improvement recently, and I saw some good numbers today for last quarter's growth, the people I represent, hard-working Ohioans, and people across the country are not feeling these benefits of a growing economy.

For more than a decade now, expenses have increased, including healthcare costs, which have increased the highest, at a time when wages have been flat. When you take inflation into account, wages have stayed relatively flat for almost two decades. That increase in expenses and flat wages is the middle-class squeeze, and people are feeling it.

For years, my colleagues on both sides of the aisle have been calling for middle-class tax cuts to help ease this burden. The Tax Cuts and Jobs Act will actually deliver. The proposal helps us in a lot of ways but three main ways.

First, there is a doubling of the standard deduction. This is a doubling...
for families from $12,000 to $24,000. That means, for a lot of families in America, the first $24,000 is a zero tax bracket. Two-thirds of Ohioans already, by the way, use the standard deduction. The estimate is, now that we are doubling it, over 90 percent of Ohioans will use that standard deduction. That helps to keep the tax bill down but also is a tremendous simplification of our Tax Code.

Second is the doubling of the child tax credit. That is of this legislation. The American dream starts with the American family, and parents shouldn’t have to recon sider starting a family because of the financial burden that comes with it. This doubling of the child tax credit will help working families afford childcare and will help strengthen middle-class family budgets all across the country. By the way, it includes increasing the refundability of that tax credit for taxpayers who don’t have any income tax liability.

Third, of course, is lowering tax rates. There are tax rates that are lowered all across the board for middle-class families. The independent Tax Foundation estimates that the tax cuts in this proposal will save an Ohio family at the median income level $275 bucks a year. That almost $2,400 a year is a big deal. A lot of the people I represent and others represent here in this Chamber are living paycheck to paycheck, and this matters. More money staying in the paycheck will go to working families to make that car payment, to pay for healthcare, maybe put a little money aside for retirement, is a big deal.

We also know from the Tax Foundation that the lower rates in this plan will benefit families across middle-class income brackets. For example, a family with two kids making $50,000 a year will see a 36-percent tax break, a 36-percent reduction in their tax liability. With two kids making about $85,000 a year, there is a 20-percent reduction in their tax liability. And for a family with two kids making about $165,000 a year, there is an 8-percent reduction in their tax liability. So there is tax relief across the board, but the biggest proportional tax cut goes to the folks who need it the most.

This chart shows this. For people who are in these income categories—$20,000 to $50,000, $50,000 to $100,000, $100,000 to $200,000—the burden right now is about 4.3 percent in taxes from $20,000 to $50,000, under this proposal, according to the Joint Committee on Taxation and the Tax Foundation, it goes down to 4.1 percent. So the burden is reduced for people at the lower end. From $50,000 to $100,000, the burden is also lowered, from 16.9 percent to 16.7 percent. For those people with $100,000 and above, the burden right now is about 78.7 percent. The top 10 percent of wage earners pay about 70 percent of the taxes. That actually goes up from 78.7 to 78.9.

So this notion that we have heard today that somehow these middle-class tax cuts are not proportionally helping those at the lower end is simply not true. This is the data. Go on jct.gov—Joint Committee on Taxation—and look for yourself. Go on the Tax Foundation site, and you can look at your family income, look at your situation, and see what the standard deduction, doubling the standard deduction, the child tax credit, and reducing tax rates will benefit you. The biggest proportional tax cuts, again, go to people who need it the most.

In total, by the way, when these tax cuts are implemented, it is estimated that approximately 3 million Americans who are currently paying taxes will no longer be paying income taxes. They will be off the rolls altogether. That is tax cuts for middle-class families, for families who need it the most. Some of my colleagues on the other side of the aisle have suggested that our plan will hurt families with incomes below $29,000 because there is a $2,000 cut in the individual mandate. It is not true. This is from the Joint Committee on Taxation report that, because of arcane budget rules, counts repealing the individual mandate as a tax hike. This is an interesting perspective, but I reject it because I don’t think stopping the Obamacare mandate is a bad idea because people choosing not to buy health insurance and therefore not having both the cost of the Affordable Care Act and the ObamaCare tax credits that come with that healthcare is a tax hike. In other words, the obstruction is that because somebody doesn’t choose to buy healthcare partly because it is too expensive and therefore doesn’t get the tax credits that come with that, that somehow that is a tax hike. That doesn’t make sense to me, and I don’t think it makes sense to most Americans.

What the Joint Committee on Taxation did say repeatedly at our committee markup 2 weeks ago is that rewriting, when you rewrite the issue again, choosing not to buy healthcare insurance a hike—that our plan does give every single income group, including those under $30,000, a tax cut. As noted earlier, the biggest percentage tax cuts goes to those with lower incomes, and that is appropriate. Those are the folks who need it the most.

What we do know is that right now the individual mandate is an onerous tax by itself. The Supreme Court has said that it, in other words, what they are saying is that because somebody doesn’t choose to pay for healthcare is a tax hike. In other words, the obstruction is that because somebody doesn’t choose to buy healthcare partly because it is too expensive and therefore doesn’t get the tax credits that come with that, that somehow that is a tax hike. That doesn’t make sense to me, and I don’t think it makes sense to most Americans.

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The Tax Foundation estimates that because of the new investment and the higher productivity that comes with it because of this tax reform proposal, it will create nearly 1 million new American jobs and more than 35,000 jobs alone in my home State of Ohio.

In addition to providing relief for middle-class families and making business more competitive for American companies and workers, this tax reform does a lot to level the playing field internationally. This is very important. Right now, American workers are forced to compete with one hand tied behind their back because of our Tax Code. A broken tax code is something that must be fixed because it is irresponsible to tell the American people: You have to get out there and compete, but guess what—your foreign competitor has a big advantage over you.

It is crazy that Congress has allowed this opportunity to go by for so many years. The situation where companies are actually encouraged to move overseas and keep their profits overseas makes no sense. Right now, it is estimated there is between $2.5 trillion and $3 trillion of earnings trapped overseas because of this outdated Tax Code. Think about that. That money can come back here and be invested here in plants and jobs and equipment. The Tax Cuts and Jobs Act says to those companies: We want your money back here. We want you to invest in America. The result will lift the economic condition of our entire country.

This week, 137 of the country’s leading economists wrote an open letter to Congress in support of this tax reform bill. These former heads of government agencies, leaders of economic policy groups, and leading academics said, quite simply: Tax Cuts and Jobs Act meaning economists wrote an open letter to Congress in support of this tax reform bill. These former heads of government agencies, leaders of economic policy groups, and leading academics said, quite simply:

Economic growth will accelerate if the Tax Cuts and Jobs Act passes, leading to more jobs, higher wages, and a better standard of living for the American people.

That is by 137 economists in an open letter. I encourage you to take a look at it online. These are people who understand what the impact of the policy we make here is going to be on decisions that are being made all around the country.

We can debate the exact growth amount that will result from this bill, and we will have a spirited debate on that this week, but we all have to agree that this will help to grow the economy if we are following basic economic theory.

By the way, their letter also states that “$1 trillion in new tax revenue for the federal government can be generated by four-tenths of a percentage in GDP growth.” In other words, what they are saying is that if there is just a slight increase in economic growth because of this tax reform bill, compared to the number we have to use here, that this will result in actual new revenue coming in to the government to pay down the debt. I am convinced that is going to happen for a very simple reason. We have to use a very low number on economic growth. Under our rules, we have to use a CBO—Congressional Budget Office—number of 1.9 percent economic growth for the next 10 years. By the way, the average over the past 30 years has been 2.5 percent. We just learned today that the average last quarter was 3.3 percent. The average the quarter before that, the second quarter, was also 3.3 percent. This tax reform proposal will help to actually increase economic growth, but even if you don’t believe that, 1.9 percent economic growth is unacceptable. We cannot accept that as a country. We can and must do better than that. We will do better than that, and this tax reform proposal will be one reason. So I am convinced that the four-tenth’s increase—up to 2.3 percent—is still very conservative and that we will be able to go back into the average over the past 30 years, as we have traditionally in this country.

When you hear my colleagues on the other side talk about this bill being bad for the deficit, I think you ought to go back and ask questions that they are resigning themselves to 1.9 percent economic growth. That, to me, is not acceptable for our country, and I don’t think that is what we will see. Of the $4 trillion in new revenue estimated to be coming in over the next 10 years, yes, out of that amount, we are suggesting $1.5 trillion be a tax cut relative to that, again, very low economic growth of 1.9 percent.

About a third of that, by the way, is by simply using what we should use, which is the right policy baseline, so you end up with about $1 trillion in tax relief. And again, over 10 years, with $4 trillion coming in and with what the economists are saying about it generating real economic growth, I am convinced we are going to do better than that 1.9 percent.

I believe the pro-growth changes in this bill will help drive economic growth in ways that help every American family. We are in a position now, if we pass this bill, to be able to help all the people who are now looking at a tough time making ends meet—it is difficult for a lot of people living paycheck to paycheck. With costs up and family incomes flat, who is paying the cost of running the government? Thanks to Congress, over the past 50 years, corporations have gone from paying about 25 percent of what it costs to run the government to paying about 9 percent or, to say it another way, hard-working families now pick up a much bigger share of the cost of running our government.

I don’t care whether you are a Democrat or a Republican, this just isn’t fair. Corporations are wallowing in profits while hard-pressed families are picking up the bill for our military, for our government agencies, for homeland
security, for our infrastructure, and for everything else we have to pitch in to pay for.

Here comes the Republican tax bill, which would make a bad situation worse. The Republican tax bill would slash taxes on corporations even further and raise even more taxes on millions of working families. It is hard to comprehend how deeply unfair that is. A survey released last May by the Federal Reserve found that 41 percent of American families—just a bit under a half—financed their unexpected expenses out of pocket. In fact, the Republican budget they passed last month tees up more than $1 trillion in cuts to those very programs.

This bill raises taxes on millions of middle-class families, and it doesn’t create any real job growth. It doesn’t create any growth. It also kills any hope for the banks, something for away? The top three responses: pay away even more money to these giant corporations that are doing business in America. They stand to pocket billions of dollars in tax giveaways from this bill—and it will do us the favor of raising $400 emergency expenses. If the transmission blows up or if a kid gets sick or the fridge stops working, these families are just plain out of luck. These are the same families whom the Republicans have targeted to pay more in taxes under the Republican plan.

In trying to sell a bill that is deeply unfair, Republicans have landed on a tried-and-true strategy—just lie about it.

The first big lie is that the plan will supercharge economic growth. Spoiler alert: It will not. We have seen this movie before, and we know how it ends. There is not one single credible projection on the plan with a meaningful impact on the growth of the American economy. One group of economists after another has looked at this bill and said it will not do a darn thing to help the economy grow.

Even banks—which stand to pocket billions of dollars in tax giveaways from this bill—have grudgingly admitted that the bill will not lead to any growth. Barclays Bank said: “A permanent boost to growth remains unlikely.” Goldman Sachs said: “We find a boost to GDP growth of 0.1–0.2 [percentage points] in 2018–2019 and smaller amounts in subsequent years.”

The second big lie is that if we just give corporations more money, they will hire more workers and create more jobs. We have seen that movie before too. Over the last 30 years, corporate profits have exploded, and companies have not trickled down those profits to workers. They didn’t do it before, and they will not do it after the Republicans give away even more money to these giant corporations.

You don’t have to take my word for it. The top executives at the companies have already admitted as much. Bank of America and Merrill Lynch surveyed 300 CEOs about what they would do with their tax giveaways. What are they going to do with those tax giveaways? The top three responses: pay down debt, buy back stock, and fund new mergers. In other words, something for the banks, something for wealthy investors, and nothing for workers.

The third big lie is that the plan will not increase the national debt, which is just plain false. The nonpartisan Congressional Budget Office says this bill will tack on $1.4 trillion to the debt in the next 10 years, and we all know what comes next. The same Republican Senators who will vote for this trillion-dollar budget buster tomorrow will turn around next week and say our national debt is just too high, and we need to cut Medicare, Medicaid, Social Security, education funding, affordable housing, and everything else we have to pitch in to pay for. We need to cut those very programs.

This bill raises taxes on millions of middle-class families, and it doesn’t create any real job growth. It also kills any hope for the banks, something for away? The top three responses: pay away even more money to these giant corporations that are doing business in America. They stand to pocket billions of dollars in tax giveaways from this bill—and it will do us the favor of raising $400 emergency expenses. If the transmission blows up or if a kid gets sick or the fridge stops working, these families are just plain out of luck. These are the same families whom the Republicans have targeted to pay more in taxes under the Republican plan.

In trying to sell a bill that is deeply unfair, Republicans have landed on a tried-and-true strategy—just lie about it.

The first big lie is that the plan will supercharge economic growth. Spoiler alert: It will not. We have seen this movie before, and we know how it ends. There is not one single credible projection on the plan with a meaningful impact on the growth of the American economy. One group of economists after another has looked at this bill and said it will not do a darn thing to help the economy grow.

Even banks—which stand to pocket billions of dollars in tax giveaways from this bill—have grudgingly admitted that the bill will not lead to any growth. Barclays Bank said: “A permanent boost to growth remains unlikely.” Goldman Sachs said: “We find a boost to GDP growth of 0.1–0.2 [percentage points] in 2018–2019 and smaller amounts in subsequent years.”

The second big lie is that if we just give corporations more money, they will hire more workers and create more jobs. We have seen that movie before too. Over the last 30 years, corporate profits have exploded, and companies have not trickled down those profits to workers. They didn’t do it before, and they will not do it after the Republicans give away even more money to these giant corporations.

You don’t have to take my word for it. The top executives at the companies have already admitted as much. Bank of America and Merrill Lynch surveyed 300 CEOs about what they would do with their tax giveaways. What are they going to do with those tax giveaways? The top three responses: pay down debt, buy back stock, and fund new mergers. In other words, something for the banks, something for wealthy investors, and nothing for workers.

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it also says something else. If you are an American corporation and you move your overseas operations, the profits you make on your overseas operations pay zero percent U.S. tax rate.

Immediately, you have an incentive to move your business from Baltimore City—or from any other city in this country or place in this country—to another place that has a lower tax rate. For example, Ireland has a 12.5-percent tax rate. If you move your business to go from Baltimore to pay 12.5 percent on your profits instead of the 20 percent you are paying here. If you move to Hungary, you are going to pay 9 percent on the profits you earn in Hungary; whereas, you would have paid 20 percent on your profits if you kept those operations in the United States. So immediately you have an incentive to move those operations overseas.

Even if you move those operations to a country that has a higher tax rate than the United States, there are easy ways to put those profits you earn in a place like the UK or Japan and put them in lower tax areas like the Cayman Islands or Bermuda. Right off the bat, this creates a perverse additional incentive to move American jobs overseas.

So our Republican colleagues say: OK. Not to worry. We have a fix for this issue. We are going to create this minimum U.S. tax of 21 percent on large profits of overseas operations. In other words, if you are a U.S. corporation, you move to Ireland, you can make a certain amount of money there, but if you go over a certain amount, we are going to put a minimum American tax on top of the tax you pay in Ireland.

This is a problem when you rush through a bill like this. The problem is, the cure is worse than the disease. Here is why. Look at this chart. First thing you say is, there is a lower tax rate in Ireland than in Baltimore City so I am going to move some of my operations overseas—my plant and equipment. In fact, I am going to move $10 million of investment overseas. Now, in Ireland, I am going to be paying 12.5 percent on my profits, versus 20 percent here in the United States. That is a pretty good move.

Now let’s see if this minimum tax has any impact and what the impact would be. Well, what the Republican tax bill says is: If just to your earnings overseas exceed 10 percent of your investment in tangible property—what is tangible property? The plant, equipment, your factory. So if you spend $10 million and move your plant, equipment, and factory overseas, you are going to be able to make a 10-percent profit there with no additional U.S. tax. But if you earn more than that—let’s say you earn $1,200,000—instead of a 10-percent return, which would have been $1 million, aha, now this minimum tax would be 21 percent, so you are paying 21 percent. So you are now going to pay the lower tax rate in Ireland on your first million, but you are going to pay 10 percent on the $200,000. So you are going to pay $20,000 in U.S. taxes.

What if you don’t want to pay even that? Here is what is so outrageous about this bill. I don’t know if it is intentional or unintentional. If I am a millionaire in the United States and I fix this problem is I move another $10 million worth of plant and equipment out of Maryland into Ireland. So now I have got my $10 million investment that I moved from Baltimore to Ireland, and I am going to spend an additional $10 million. Now, as long as I keep my overall returns to 10 percent, I am not going to pay that excess minimum tax. So if my first company has a 12.5-percent return and the second one has an 8-percent return, together they have a 10-percent return. So I end up, by moving more plant and equipment from the State of Maryland to Ireland, that I don’t even pay that minimum U.S. tax.

In fact, every time I get close to having to pay that minimum U.S. tax, I can solve my problem by moving more American jobs overseas. That is insane. I hope our colleagues will take a look at this, because this is going to do great damage to the American economy.

You don’t have to take my word for it. You have a lot of economists who have taken a look at this provision. I am just going to read from one. His name is Edward Kleinbard. He was the former chief of staff of the Joint Committee on Taxation. We all know they are the professionals. They are the nonpartisan professionals who analyze these bills. Here is what he had to say: "The administration’s tax cut proposal is coupled with a territorial tax system, which permanently exempts foreign income from taxation; this will further tilt the playing field in favor of foreign, rather than U.S., investment."

I ask unanimous consent that the other quotations from the economists be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Jared Bernstein, senior fellow, Center on Budget and Policy Priorities; former chief economist to Vice President Joe Biden: "The Republican tax plan...is likely to lead to more outsourcing of U.S. jobs and a larger trade deficit. The tax plan moves to what’s called a territorial system of international taxation, which means the U.S. tax rate on the overseas earnings of U.S. foreign affiliates would become zero." Rebecca Kysar, professor of law, Brooklyn Law School: "A pressing goal of tax reform is to reduce the incentives for companies to move their operations overseas. This bill does the opposite."

Kimberly Clausing, professor of economics, Reed College: "The House and Senate Republican tax bills create a territorial tax system that 'exempts foreign income from U.S. taxation. This tilts the playing field even further toward doing business abroad rather than at home, since there will always be countries with lower rates. A territorial system makes explicit and permanent the preference for foreign over domestic income. It also accelerates the profit shifting behind our corporate tax base erosion problem.'"

Carl Levin, former senator: "The House and Senate tax bills would be a monumental mistake for the country for many reasons, but one compelling reason is the disastrous way they treat corporate profits and encourage companies to shift their operations and the economic benefits that they collect, the United States."

Richard Phillips, senior policy analyst, Institute on Taxation and Economic Policy: "The most significant component of the Senate tax proposal on international taxes is moving to a territorial tax system, under which active income of U.S. companies earned offshore will no longer be subject to U.S. taxes. By default, the Senate tax plan moves in the opposite direction of real tax reform by substantially contracting the base of the U.S. corporate tax. According to the Joint Committee on Taxation, moving to the territorial tax system would cost $215 billion over the next decade. Exempting offshore income from U.S. taxation would encourage further profit shifting and would also create a tax incentive for corporations to move real operations and jobs offshore to take advantage of the tax break." Steven Rosenthal, senior fellow, Tax Policy Center; former counsel to Joint Tax Committee: "The Tax Cut and Jobs Act (TCJA) that the Senate is debating this week would fundamentally change the way U.S.-based multinational corporations treat their overseas income. But contrary to the claims of President Trump and congressional supporters, the new approach may still encourage U.S. companies to shift production overseas."

Reuven Avi-Yonah, professor of law, University of Michigan: "Multinational corporations (for example, GE or Intel) will pay less because they have more tangible assets offshore. This creates an obvious incentive to move jobs (and profits) offshore. The proposal standing on its own would induce profit-shifting because of the combination of the participation exemption and the lower rate (12.5% is less than 20%)."

Chuck Marr, director of Federal Tax Policy, Center on Budget and Policy Priorities: "The most significant component of the Senate tax bill are worse than I thought—a very nice gift to multinationals."

Mr. VAN HOLLEN. Now, to add insult to injury, this is not the only part of this bill that actually tips the playing field in favor of our economic competitors overseas and against the American worker and against the American taxpayer. If you look at the corporate tax cuts in this bill, they are painful. The first year after year, corporations will get that tax cut in the United States of America. Whereas, if you are an individual

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November 29, 2017 CONGRESSIONAL RECORD—SENATE
household in America, millions of middle-class taxpayers will see an immediate increase in their taxes. Some will see a small cut in their taxes for a period of time, but in the long run, those individual tax cuts go away, and the corporate tax cuts remain.

Of course, the theory behind this is trickle-down economics; right? You are going to give the very wealthy and big corporations the tax cut, and the benefits of that are going to trickle down and lift everybody up. I think we know that this theory run aground and run into the wall of reality many times over.

Most recently, in the early 2000s, we had the Bush tax cut. It was the same theory—to cut taxes for the super-wealthy and somehow the benefits were going to trickle down and lift everybody up. I will tell you who it lifted up. The wealthy did even better. The other thing that went up is our deficit and debt, but everybody else was either running in the wrong lane. That was our most recent experiment in trickle down.

We also have an immediate present example of why this theory of giving big tax cuts to corporations and the idea that it is going to raise wages and lift everybody up just dead wrong. As we sit here tonight, American corporations are making record profits. That is a great thing. But guess what. Wages are flat. So by increasing the after-tax profits of those corporations, they are not going to use that extra money to raise wages. They are not doing it today. They are not doing it today.

The stock market will go up, and stockholders will definitely have greater value, because you are a corporation. The day after this tax bill gets passed, if it passes, your after-tax profits just went up. The stock market is doing great. The problem is, most Americans—the overwhelming amount of Americans don’t benefit from that rising stock market. We know the people who benefit most are the folks at the very top.

Here is the thing that I think many people will be surprised by. A very large group of those stockholders are not even American citizens. They are foreign stockholders—stockholders who have these investments in American corporations.

In fact, 35 percent of the stock in these corporations are foreign shares—35 percent of the value of that stock. So I can tell you that they are going to be clicking the champagne glasses in capitals around the world because those very wealthy foreigners are going to get a big tax cut. In fact, the Institute on Taxation and Economic Policy estimates that the value of the tax cut to foreign stockholders just in the year 2019 will be over $30 billion. That is in 1 year for foreign stockholders. In that same year, in 2019, taxes will go up by over $1 trillion on American citizens.

There is great news for the American public. Some $27 billion are transferred from American households into the pockets of foreign stockholders—what a great deal for the American public. They are going to be thrilled to see that their hard-earned dollars are going to increase the bank accounts of foreign stockholders.

This is also on foreign information that is beginning to come out as people get a chance to look more at the consequences of this bill. This is the exact reason that Republicans are trying to rush this through the Senate. I can tell you, when the American public sees that this tax cut is paid for by foreign stockholders, I think all of us agree that they aren’t going to like it.

The problem is this is also part of a pattern. The corporate tax cuts go on forever, and those foreign stockholders, every year—this is in 2019—keep getting a big windfall, a big bonanza. But if you are an American taxpayer, you are on the short end of the stick because millions of American middle-class families will see their taxes go up right away. As I said, others will see a small tax cut originally, but it will fizzle out.

So here is the overall impact. In 2019, you are going to see 13 million American families who earn less than $200,000 a year pay higher taxes under this Republican bill—13 million families. It gets worse from there because the benefits that some people will get in the short term begin to fizzle out and then get snuffed out altogether at the end of 10 years.

By the year 2025, it is going to go from 13 million middle-class American families to 19 million middle-class families who are going to be paying higher taxes. By the way, at the same time, the Republican bill will give a tax cut of an average of $40,000 a year to people who make more than $1 million a year. It gets even worse for families in and after the year 2025 because all of the individual tax cuts expire. Tax cuts for the foreign stockholders keep going on. They go on forever. By 2027, the Republican plan will raise taxes on 87 million American families.

Now, we actually just had some information come out. It was just released to the public this evening. This is from the Joint Committee on Taxation. These are the folks who are the professionals who look at the impact of the tax bill. They analyze it, and they let people know the facts.

Here is the bottom line. When this bill runs its course in the year 2027—here is the bottom line—23 percent of American households are going to see their taxes go up, and 16 percent will see their taxes go down. So more American households will see their taxes go up than go down. Some 61 percent, they estimate, see virtually no change at all. Again, these are families, not corporations. The corporations, including those foreign stockholders, keep seeing the benefits.

Here is the other thing the Joint Committee on Taxation is telling us. Of the people who get a cut, the largest share of any one group are people who make $1 million and up. In fact, it says of those in that category, that 57 percent of the households will get a tax cut. Those are the millionaires. If you look at middle-income folks, there are much smaller percentages in those categories.

I must have to ask my colleagues how it is that you try to sell a plan as a middle-class tax cut when, at the end of the day, more Americans are going to see their taxes go up than go down. I think the American people are going to be more and more surprised if this bill passes as to what it is going to do.

So we have a chance to actually step back right now. We have a chance to step back and actually take a good look at the bill, and we can figure out which of these consequences are intended and which of these consequences are unintended. There is time to fix some of these issues.

The last point I wish to make is that in addition to middle-class families—millions of them who are going to have to pay more to pay for the big corporate tax cut—we are also going to see a number of other groups of Americans who are going to be hurt hard. We know that millions of people who get their health insurance through the exchanges are going to see their premiums go up for big tax cuts for corporations. We know that even after all of that—all of those Americans have to pay more in premiums and after millions of middle-class families are going to have to pay more—we still have a $1.5 trillion debt.

I am just going to ask my Republican colleagues, with whom I have worked for many years and with whom I have agreed that we need to find a bipartisan way to reduce our deficits and debt rather than increase our deficits and debt, what their plan is.

Here is the secret—not really a secret, actually. I invite everybody to look at the budget that the Senate and the House of Representatives, because it tells us right there in the budget what is the plan to reduce some of that debt that will be increased because of tax cuts. The proposal is right there: A $1 trillion cut to Medicaid over 10 years, a $732 billion cut to Medicare over 10 years, and cuts to the whole category of our budget we use to invest in education.

So the bottom line is that this bill is going to provide whopping tax cuts to corporations. It is going to have the effect of encouraging and incentivizing more of those corporations to move jobs, plants, and equipment overseas, and it is going to ask almost everybody else in the country to pick up the tab. That is not the kind of tax reform the American people bargained for. I urge my colleagues to take a step back, to work together on a bipartisan basis, and to come up with a plan that actually works for the country. I hope that can happen.

I yield the floor.
ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10:30 a.m. tomorrow.

Thereupon, the Senate, at 10:52 p.m., adjourned until Thursday, November 30, 2017, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

FEDERAL RESERVE SYSTEM

MARVIN GOODFRIEND, OF PENNSYLVANIA, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOURTEEN YEARS FROM FEBRUARY 1, 2016, VICE SARAH BLOOM RASKIN, REDEIGNED.

DEPARTMENT OF STATE

JOSEPH E. MACMANUS, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER–COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF COLOMBIA.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. NANCY A. NORTON

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., Section 601:

To be vice admiral

REAR ADM. RICHARD A. BROWN

WITHDRAWAL

Executive Message transmitted by the President to the Senate on November 29, 2017 withdrawing from further Senate consideration the following nomination:

AIR FORCE NOMINATION OF LT. GEN. LEE K. LEVY II, TO BE LIEUTENANT GENERAL, WHICH WAS SENT TO THE SENATE ON JUNE 15, 2017.