Mr. WALBERG. Mr. Speaker, hardworking families in Michigan have been squeezed for far too long under our broken Tax Code. Wages aren’t going up, yet the cost of living keeps getting more expensive.

We developed the Tax Cuts and Jobs Act with those lower and middle-income families in mind. They need a break.

For folks in Michigan, in Monroe, Jackson, Charlotte, and all across my district, this tax cut plan means bigger paychecks and more money in their pocket. At every income level, people will see meaningful tax relief.

Our plan doubles the standard deduction and increases the child tax credit to help with the costs of raising a family. It also eases the tax burden on small businesses so they can give their workers a raise and create more jobs in the community. It brings back jobs from overseas and incentivizes job creators to expand and hire here at home.

Mr. Speaker, this is a progrowth and proworker plan. Let’s pass it today and help the families we represent get the relief they need.

Mr. CARBAJAL. Mr. Speaker, the tax bill put forth today by congressional Republicans is a gift to the wealthiest 1 percent and multinational corporations at the expense of our students, homeowners, and seniors.

It eliminates critical deductions that help central coast families, including deductions for State and local taxes, mortgage interest, student loans, and medical expenses.

With wildfire season in California growing longer each year, this bill callously eliminates tax relief for personal casualty losses resulting from wildfires as well as earthquakes. In fact, this bill would raise taxes on 36 million working and middle class taxpayers by an average of $1,130 a year.

With a national debt that has now surpassed $20 trillion, the American people cannot afford this tax bill that adds $1.5 trillion to the deficit and leaves our children stuck with the bill.

Americans deserve bipartisan tax reform that simplifies our Tax Code and puts the middle class first.

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This bill takes a wrecking ball to our middle class. It erases deductions that ordinary, working families count on to stay afloat. It raises taxes on 36 million middle class families.

By eliminating the medical expense deduction, tax scam will force nearly half of all million New Yorkers who already struggle with serious illnesses to dig into overstretched bank accounts just to pay their healthcare bills.

By gutting the student loan interest deduction, higher education will become unaffordable for 900,000 New York students. Graduate students will be taxed on tuition waivers.

I heard from one woman in my district, a recent Ph.D., who said she would have paid $2,700 in income out of her pretax income of $13,000. The choice is clear. Vote no. Reject this scam.

**SUPPORT THE TAX CUTS AND JOBS ACT**

(Mr. THOMPSON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON of Pennsylvania. Mr. Speaker, I rise today to encourage all of my colleagues to support H.R. 1, the Tax Cuts and Jobs Act.

For the first time since 1986, this is a real opportunity to challenge the status quo and simplify the Tax Code.

For the nearly 82 percent of taxpayers in Pennsylvania’s Fifth Congressional District who file jointly under the standard deduction, they are going to see that nearly doubled to $24,000, up from $12,700.

According to the IRS, 18 percent of taxpayers in the Fifth District of Pennsylvania choose to itemize their tax returns, averaging about $21,000 in deductions. Doubling the standard deduction means that low- and middle-income families, who have been struggling for a long time, will see their tax burden lowered.

This proposal truly strives to help families keep more of their hard-earned paychecks. Today we have a once-in-a-generation opportunity that we cannot afford to pass up; more jobs, fair taxes, bigger paychecks.

Mr. Speaker, the American people deserve no less, and I encourage my colleagues to support this bill.

**TAX CUTS AND JOBS ACT**

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 1) to provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018, will now resume.

The Clerk read the title of the bill. The SPEAKER pro tempore. When proceedings were postponed on Wednesday, November 15, 2017, 1 hour 58½ minutes of debate remained on the bill.

The gentleman from Texas (Mr. BRADY) has 61 minutes remaining, and the gentleman from Massachusetts (Mr. NEAL) has 57½ minutes remaining.

The Chair recognizes the gentleman from Texas.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. NUNES), a key architect of the tax reform plan, a leader and a champion for new business investment.

Mr. NUNES. Mr. Speaker, I rise in strong support of H.R. 1, the Tax Cuts and Jobs Act.

Mr. Speaker, for years, the middle class has been saddled with a broken Tax Code and low wages. Small businesses have been crushed by overly complicated rules and a higher tax burden than corporations.

As a result, America has suffered from a self-inflicted uncompetitive Tax Code, lagging behind the world both in economic growth and job creation. Companies have fled for lower tax jurisdictions and more competitive business environments.

Since the 1986 Tax Reform Act was passed, Washington has continued to make the Tax Code longer and more complicated, adding special interest loopholes and specific carve-outs back into the Code year after year.

This has allowed the Tax Code to dictate business decisions instead of letting businesses dictate business decisions.

For the first time in 31 years, we are wiping the Tax Code clean and replacing it with one that is fair and simpler for everyone.

For the better part of my career, I have advocated for a cash-flow tax system that would allow small businesses to expense 100 percent of their costs immediately. H.R. 1 contains an expensing provision that would give businesses the tremendous opportunity to reinvest, allowing them to grow their businesses and create jobs.

The impacts for the American economy would be huge. Small businesses across rural California, from the small family-owned farm to the neighborhood restaurant and any other entrepreneur, deserve a type of tax system that allows them to create jobs and be able to compete on an equal footing globally.

Mr. Speaker, before I close, I want to just point out to those in the audience, those who are watching this, that today you are going to hear a lot about how Republicans are giving tax breaks to millionaires and billionaires.

Mr. Speaker, that is always what the left says about the Republicans. However, you will also hear a lot of talk about people who itemize and SALT deductions and how those are somehow increasing taxes on the middle class.

The reality of this, Mr. Speaker, is that these deductions go to millionaires and billionaires. So for my friend on the left, you can’t have it both ways. You can’t claim that Republicans are giving tax cuts to millionaires and billion-aires when you are attempting to keep the very tax cuts called SALT, State and local tax deductions, that go to millionaires and billionaires.

Mr. Speaker, in closing, I want to take this opportunity to thank Chair BRADY and all my colleagues on the Ways and Means Committee. For years, we have been working on this legislation, but this is a historic moment. Congress has the opportunity to positively impact every American by reforming our Tax Code, and I urge my colleagues to support this bill.

Mr. NEAL. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, this is a historic moment, but, most importantly, it is a matter of opportunity.

Mr. Speaker, we are taking the proposal of the Republican Party today and the financial architecture of our revenue system, based on their request, to the casino.

Their argument is premised on one thing today, and one thing only. Maybe. But what about maybe not? This could have been done between the two parties, as we requested and we are going to do.

In 1986, 450 witnesses offered testimony on tax reform, thirty hearings were held, and the Secretary of the Treasury attended most of them. The two parties found commonality in reaching an accord that was well received by the American people.

What we are being asked to do here today is to raise taxes on 36 million middle class Americans. The previous speaker, my friend from California, a quarter of the households in his district claim the State and local tax deduction, with an average of $10,000 per family. $10,000. So they are going to tell you today that they are giving you this and they are giving you that.

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What did we discover in the aftermath of that? Almost 20,000 layoffs in the weeks after it. The money was used for stock buybacks and dividends with no employment gains across the country. They keep telling us: Well, you are going to get 3 percent, 4 percent, 5 percent, and the President says 6 percent growth.

I want to find that economist who says we are going to get 6 percent growth.

Most projections are that we are being asked here today to participate in the following, because this is the context of the argument this morning: They are borrowing $2.3 trillion over 10 years for the purpose of giving a tax cut to people at the very top of our economic system.

We should be investing in human capital, community colleges, vocational education, aligning the American people with the skill sets that are necessary, as the Department of Labor reported this week, for the 6 million jobs that are available. That is the most gainful way to do long-term investment.

Mr. Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I would note that a family of four in Massachusetts First District will see a tax cut of nearly $2,000 under this bill.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Kansas (Ms. JENKINS), one of our key leaders on the Ways and Means Committee who is really all in on growth and savings for America.

Ms. JENKINS of Kansas. Mr. Speaker, I rise today in support of H.R. 1, the Tax Cuts and Jobs Act.

Mr. Speaker, as a CPA and a member of the Ways and Means Committee, reforming our Tax Code has been a priority of mine during my entire service here in Congress.

Our current Tax Code is broken, and I have thousands of Kansans in my district who are frustrated with the status quo.

This legislation will not only reform our broken Tax Code, but it will permanently lower rates for hardworking individuals, families, and businesses while retaining or expanding many popular provisions, such as the dependent care assistance program. It also includes strong safeguards that keep the wealthy from gaming the system in an effort to have less than their fair share.

On average, this legislation will help provide tax relief for all income groups across the board. If you don’t believe me, read the analysis from the Tax Foundation and the Joint Committee on Taxation. They agree.

While individuals and families receive a much-needed tax break, they will also notice that their wages are going up and more jobs are being created.

Just the other day, AT&T announced they will be making a substantial investment in the United States once we enact tax reform.

Folks are tired of the status quo. They are tired of a Tax Code that is confusing. Once figured out, you realize that it actually penalizes hard work and success.

The Tax Cuts and Jobs Act accomplishes our goals of ensuring that tax cuts are cut for low- and middle-income Americans, simplifying the tax system and expanding American competition within the global economy.

This is a rare opportunity to enact the kind of legislation our constituents need and deserve to grow the economy and put more money in the pockets of hardworking Kansans.

Mr. Chairman, I thank the chairman and the entire committee for their good work on this important legislation.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), who has a long and distinguished history in this Congress and as a member of the Ways and Means Committee.

Mr. LEVIN. Mr. Speaker, I thank the gentleman for yielding and for all of his work he has done over the years.

The Republican tax bill is built on massive deception. The deception is that, as the Speaker put it: “The focus operation, the wealthiest would receive higher taxes in 2023, far overshadowing the $1,000 or so for other families. In 2019, those earning over $1 million would get an average tax cut of $75,000. Even as modified in last-minute desperation, the wealthiest would receive 90 percent of the new tax break for so-called pass-through income.

Another deception is that tax breaks pay for themselves. On this, some people may have been in the past fooled once, fewer twice, but none thrice. A further deception is that exploding the deficit and national debt to 1.7 trillion will disappear as it promotes growth. Not only is this a 180-degree Republican turn, but it threatens Medicare and other critical programs and will worsen the vast inequalities in income and wealth in America.

It is said that necessity is the mother of invention. In this case, Republican political necessity is the mother of desperation and deception.

Mr. BRADY of Texas. Mr. Speaker, I have a note that the average family of four in Michigan’s Ninth District will receive a tax cut of over $1,700.

Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. HOLDING), one of our key leaders on the Ways and Means Committee, who serves on the Tax Policy Subcommittee.

Mr. HOLDING. Mr. Speaker, I am proud to be here today to support this historic bill that will put our economy back on the path to stable and sustained growth.

This bill finally levels the playing field and restores the global competitiveness of American businesses by moving to a territorial system. This key aspect of our bill removes the punitive barriers of the current worldwide system and allows companies to reinvest their overseas profits in America, without fear of getting hit with an over-the-top tax burden. This important change ensures that America remains the best place to start, grow, or invest in a business.

As companies begin to see the benefits of this new territorial system, I look forward to continuing to work with the chairman to explore ways to move toward a residency-based taxation system to ensure that American citizens have a level playing field against the countries who raise them.

I have heard from companies, American companies, that say as they expand their operations overseas, the Tax Code has made it prohibitive for them to hire Americans for these jobs. In fact, our current system of citizenship-based taxation makes Americans nearly 40 percent more expensive to employ overseas than their foreign counterparts.

Mr. Speaker, I thank the chairman very much for his understanding of this issue and look forward to our continued work to ensure that talent, not tax burden, is the driving factor in the hiring decisions of multinational companies.

I am proud to support this bill. I look forward to it growing the economy and ensuring businesses of all sizes have the capital necessary to hire more employees, grow their operation, and give Americans the raise they deserve.

Mr. BRADY of Texas. Mr. Speaker, I thank the gentleman from North Carolina (Mr. HOLDING) for his leadership on this issue, in particular, about international competitiveness for our workforce.

Another key aspect of our bill removes the punitive barriers of the current worldwide system and allows companies to move toward a territorial system. This is a rare opportunity to enact the kind of legislation our constituents need and deserve to grow the economy and put more money in the pockets of hardworking Kansans.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), who has the highest professional and personal esteem of every Member of this institution.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend, Mr. NEAL, for yielding.

Mr. Speaker, I rise with a heavy heart to join him in opposing this mean-spirited, reckless bill.

Mr. Speaker, 30 years ago, I was elected to fight for and to serve the people of my district. Today, they are calling and begging for us to slow down and to do this the right way. In their heart of hearts, the public knows that the safety net will be used to pay for this reckless corporate tax cut.

Taxpayers know that this shameful deal destroys the hopes and dreams of
too many as it robs poor Peter to pay wealthy Paul. That is not right. That is not fair. That is not just.

Mr. Speaker, you cannot hide the truth from the sick, the elderly, the disabled for whom this bill may mean life or death. You cannot hide the truth from the working-class, poor families and immigrant families who need every penny to make ends meet. You cannot hide the truth from teachers who try to lend a helping hand to students who struggle to get an education.

It is hard to hide the truth about this bill’s attack on the separation of church and State.

Mr. Speaker, as we abandon our constitutional duty and sacrifice our moral authority, I fear that history will not be kind to any of us.

In another time, in another period, Members of Congress came together in a bipartisan fashion. They met, debated, and passed a tax bill that served the best interest of all people—not just a select few. They took their time. They did it right, and we should be doing it right.

Today, the RECORD must reflect the sad truth of this missed opportunity. H.R. 1 steals from our veterans, our senior citizens, and from generations yet unborn. All taxpayers expect, demand, and deserve better—much better—than legislation which would put politics before the good of the people.

This bill is a shame, a disgrace, and honestly, Mr. Speaker, it breaks my heart. I urge each and every one of my colleagues to vote “no.”

Mr. BRADY of Texas. Mr. Speaker, I am pleased to report that the average family of four in the Fifth District of Georgia will see a tax cut of $1,484.

Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. Bischon), one of the new members of the Ways and Means Committee who has really been a leader for families, small businesses, and industry.

Mr. BISKOL of Michigan. Mr. Speaker, I want to thank the chairman for yielding, for his steadfast leadership, and for giving me the opportunity to be a part of this incredible opportunity on behalf of this great country.

Tax reform is about giving hard-working Americans of all walks of life the confidence they need to make their dreams a reality. So the question that needs to be asked is whether or not the current Tax Code, and all of its targeted tax credits, really increases people’s paychecks. Does it treat people fairly? Does it put American workers first?

What about fostering economic growth? Does it help create more good-paying jobs? On that subject, I think Michigan is a great case study, my home State of Michigan. You see, I am from the Motor City where we are known for our blue-collar work ethic. Our families come from humble beginnings. They have always worked hard and gone to work to make ends meet to build a better life for their family and for their kids. We persevered through some pretty serious economic death spirals. I must say, and I would refer back to 2008 as an example.

More than 8,000 people left our State. Just think about that. We are the only State in the Union to lose population—and more would have left if they had a chance to see a broken system.

At the time, I was the Senate majority leader in Michigan under the last administration, overseeing the only Republican branch of government. I saw firsthand how the administration pursued targeted tax credits, one after the other, that favored one industry over the other. It was a classic example of government picking winners over losers, and as expected, it failed miserably.

As we see at the Federal level today, in Michigan, these targeted tax benefits were paid for by everyone else in the form of tax increases, and not only did it fail to attract growth in emerging sectors as they had hoped, but it contador and raised the cost, one after another, that favored one industry over the other. This was a classic example of government picking winners over losers, and as expected, it failed miserably.

Michigan quickly became the only State in the country experiencing zero economic growth. Per capita income fell for the first time. It was one of the only States to fall, and just a few years later, it was one of the lowest.

By 2009, unemployment hit a record high of 15 percent. Neighboring States that had more hospitable environments for good job growth attracted our families and one another.

As I said, we are the only State in the Union to lose population. But as Senate majority leader at that time of the only Republican branch of government, we didn’t just say no to the government’s failed policies. We offered solutions and loaded up the pipeline with legislation to help the newly elected Republican legislature and Governor Rick Snyder get the job done.

What did we do? We did exactly what was necessary to do. We started with tax reform. While balancing budgets, we found ways to lower rates on individuals, reduce baseline rates for job creators, and eliminate tax credits that favored certain industries over others.

Michigan created an environment that grew the economy and helped families get ahead. Sure enough, just 2 months after these reforms happened, job growth turned positive again in Michigan.

Today, in Michigan, we are a top 10 probusiness State and ranked 12th among all States for overall business climate. Unemployment is the lowest it has been in my home district of 3.3 percent, in Livingston County.

Detroit is re-emerging again as an economic powerhouse. The streets are alive with entrepreneurs and young people finally living downtown. The future looks great for the comeback city.

The moral of this story is tax reform, but it is also just about tax cuts. It is about real reform to a broken system.

Getting tax reform done right means delivering real relief, and I have seen it firsthand in Michigan.

I know it can happen at the national level. It is not rocket science. It is about giving people back more that is rightfully theirs. It is about freeing up more capital to create more jobs, increase wages, and compete at the global level. This is how you grow an economy.

Mr. Speaker, let’s vote for our constituents today. Do it for the middle-income family of four or the struggling mom. Let’s pass this bill today. It has been 31 years. It is time for relief. It is long overdue.

Mr. NEAL. Mr. Speaker, under the Republican tax bill, 570,000 Michigan households earning less than $160,000 a year will see a tax hike.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Thompson), a thoughtful member of the Ways and Means Committee, whose admonitions to all of us should be something we could all rally around.

Mr. THOMPSON of California. Mr. Speaker, I rise in opposition to this reckless and fiscally irresponsible bill that is going to add $2.3 trillion to our national debt.

There is a reason why airports, universities, the Fraternal Order of Police, the home builders, and veterans groups are all opposed to this bill. It is because it will increase taxes on tens of millions of middle class families. That is according to the Joint Committee on Taxation.

One of the most heartless provisions would make it harder for middle class families to rebuild after disaster. When you vote today, you are telling the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires that you don’t care about them or about the survivors of the California fires.

We have a chance today to reject this bill and come together, hold hearings, and hear from experts—something that wasn’t done when the Republicans wrote this bill.

We can take ideas from both side of the aisle and write a tax bill that helps middle class working families. Let’s reject this bill and work on real tax reform that will not raise taxes on the middle class and won’t add $2.3 trillion—that is with a T—to our national debt.

Mr. BRADY of Texas. Mr. Speaker, I am pleased that the average family of four in California’s Fifth District will see a tax cut of $1,484.

Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. Curieko), who has been an advocate not only for Floridians but Puerto Rico and a number of our families and communities around the country.

Mr. CURIELO of Florida. Mr. Speaker, I rise in strong support of H.R. 1, the Tax Cuts and Jobs Act.

This crucial legislation before us today marks the first time in 31 years that Congress has considered a major overhaul to the current Tax Code that
Mr. Speaker, I want to thank Chairman BRADY for working with me to begin addressing the important issue of helping our fellow American citizens in Puerto Rico. After the devastating effects of Hurricanes Irma and Maria, our committee delivered immediate results for the island through a disaster tax relief package targeted to help people get back on their feet.

While it will take at least months for the island to fully recover, we are providing even more assistance to Puerto Rico with the legislation being considered today.

I want to thank Chairman BRADY for helping us extend the rum cover-over to $13.25 per proof gallon to be paid back to the treasuries of both Puerto Rico and the U.S. Virgin Islands through 2023. I am also grateful that under this bill, companies operating in Puerto Rico can deduct income attributable to domestic production activities retroactively for the year 2017.

Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. LARSON), who is a neighbor, a really nice guy, and a very thoughtful member of the Ways and Means Committee.

Mr. LARSON of Connecticut. Mr. Speaker, please include in the RECORd, first a letter from the Commissioner of Revenue Services in the State of Connecticut, who has detailed out the impact of this tax on Connecticut residents. November 8, 2017.

Hon. John B. Larson, House of Representatives, Washington, DC.

Dear Congressman Larson: Thank you for opportunity to comment on the federal tax changes being considered in H.R. 1. We appreciate your leadership in trying to set the record straight as this partisan effort is rushed to judgment with no real input and much fiscal uncertainty.

Unfortunately, what we see so far from a national tax reform is very troubling. Some of the proposals to reduce taxes on corporate and pass-through businesses in the United States are not paid for and are really massive federal tax deficit spending. The nation has been down this road before and surely we should have learned something from the worst economic recession.

The estate tax benefit we have now is more important than ever. Eliminating deductibility of medical/dental expenses will be $1.6 billion hardship for Connecticut taxpayers at all levels who are out of work and have catastrophic medical costs.

I am a lifetime resident of Connecticut, and I ask that you do not vote for the proposed cap in Federal Tax on Connecticut. If it’s providing large tax breaks that benefit the rich and the corporations.

The estate tax benefit we have now is more than generous, only the very wealthy will benefit from repealing the estate tax.

The proposed caps on state and property tax deductions combined with the increased standard deduction, will cause myself as well as others to use the standard deduction instead of itemizing. This will eliminate the financial benefit of owning my home, and I am convinced it will negatively affect its value.

The personal exemption of $4,050 is going away. This is not something that’s been highlighted in the news. So as a single payer, tax would be $2,025, but if the $4,050 personal exemption is not in my income being taxed, it’s under the current plan.

I am currently in the 10% tax bracket. Under this new plan it will increase to 12%.

This is not a tax plan that benefits me, or I expect any other middle income resident. Vote No.

Mr. Larson of Connecticut. Mr. Speaker, I include in the RECORD a
transcript of an interview with our esteemed chairman, KEVIN BRADY, and Heidi Przybyla that appeared on “Morning Joe.”

KEVIN BRADY—MORNING JOE TRANSCRIPT—FRIDAY, NOVEMBER 3

Przybyla: They moved away from a balanced budget is one, there is substantial growth, miss, but again, that won’t do it. You have to simplify the code, eliminate so much of these special breaks on the business and the individual side as well. It’s the combination of both of those that gets you back to a balanced budget over time. That’s why people complain, ‘Look you’re really simplifying the code dramatically, there’s a lot of things that go out.’ Not everyone is happy about that but that is what, sort of the tough choices that we’re going to have to make, along with growth, to make sure this moves us toward a balanced budget.

Brady: Right. That is not what’s happening here. This is still, regardless of these loopholes that you’re closing, it’s still a big blowhole in the deficit and that is not what the code does for instance, the Reagan Act did it. This model that I’m speaking of, it’s still assumable that this could be a drag on economic growth because you’re not doing the type of spending cuts, not just simplification in the code, but spending cuts.

Przybyla: Here, one, there are a number of models on growth and I’m sure there will be a hearing, a hearing or order of some sort. What we know is this dramatically grows the economy in revenues not just here in Washington, but state and local levels as well. But you make a great point: tax reform alone, alone won’t get us to a balanced budget, we have to have spending constraints along with that. As I know, as House Republicans, we are turning toward welfare reform and how we tackle our entitlements in a way to save our entitlements, we want to get to a balanced budget, but we have to have spending constraints along with that.

Mr. Speaker, I include in the RECORD a letter from AARP, who is in opposition to this bill.

AARP, November 15, 2017.

DEAR REPRESENTATIVE: On behalf of our members and all Americans age 50 and older, AARP is writing to express our views on H.R. 1, the Tax Cuts and Jobs Act. AARP represents nearly 38 million members in all 50 States and the District of Columbia, Puerto Rico and the Virgin Islands, represents individuals aged 50 and older in myriad ways. As we did with the last major effort at tax reform a generation ago, AARP is prepared to support tax legislation that makes the tax code more efficient, provides growth, and produces sufficient revenue to pay for critical national programs, including Medicare and Medicaid. However, H.R. 1 in its current form does not meet these criteria.

Efforts to restructure all or part of the federal tax system should in particular recognize that—and therefore maintain—incentives for health and retirement security. Such incentives are not only important to assist individuals in attaining the security they deserve, but are vital to our nation’s future economic well-being. AARP is dedicated to enhancing retirement security, including retention of the standard deduction for those ages 65 or older; improving access to, and targeted incentives for, workplace retirement, and protection of earned pensions for vulnerable retirees and their families. We greatly appreciate that H.R. 1 rejects proposals to make significant changes to employer-based retirement contributions, which would have affected the ability or commitment of many tax filers to save for their retirement. AARP also remains concerned about the affordability of Medicare and Medicaid. However, H.R. 1 also eliminates the additional standard deduction for filers who claim the medical expense itemized deduction at 7.5%, preservation of tax exclusions for employer-based insurance coverage; maintenance of tax subsidies for lower- and moderate-income Americans to purchase health insurance coverage in health care marketplaces; and the creation of a new, non-refundable tax credit for working family caregivers. As tax legislation advances, changes to the tax code should not result in a disproportionate, adverse impact on older Americans.

The impact on older tax filers is the cumulative effect of many policy changes made in the 2017 law. As the Joint Committee on Taxation (JCT), H.R. 1 will reduce taxes for millions of taxpayers beginning in 2019. We are concerned, however, that in 2027, according to JCT, the taxpayers with incomes between $10,000 and $50,000 would collectively pay $2.9 billion more in individual income taxes. AARP has estimated that H.R. 1 will increase taxes on 1.2 million taxpayers age 65 and older in 2018, and by 2027, 4.9 million older taxpayers will experience higher tax rates. H.R. 1, for example, eliminates tax relief for 5.1 million older taxpayers in 2018 and 5.3 million taxpayers by 2027. The impact on older tax filers is the cumulative effect of many policy changes made in the 2017 law. As the Joint Committee on Taxation (JCT), H.R. 1, but a number of specific provisions disproportionately affect older Americans. Nearly three-quarters of tax filers who claim the medical expense itemized deduction have incomes between $10,000 and $50,000. H.R. 1 also eliminates the additional standard deduction for filers who are 65 and older, while at the same time increasing the lowest tax rate by 2027. Further, H.R. 1 also includes proposals that more broadly affect the tax liability of millions of filers, such as the expiration of the new Family Flexibility Credit in 2025, the annual mandatory savings and local tax deduction, in little tax benefit to many older tax filers, and for others, a tax to be paid in 2018.

Also troubling is the negative effect H.R. 1 will have on the nation’s ability to fund critical priorities. H.R. 1 will increase the deficit by $1.5 trillion over the next ten years, and an unknown amount beyond 2027. The large increase in the deficit will inevitably lead to calls for greater spending cuts, which are likely to fall asymmetrically to Medicare, Medicaid and other critical programs serving older Americans. The Congressional Budget Office has recently stated that unless Congress takes action, H.R. 1 will result in automatic federal funding cuts of $136 billion in fiscal year 2018, $25 billion of which reaches its peak in the next 10 years. We urge Congress to work in a bipartisan manner to enact tax legislation that better meets the needs of older Americans and the nation, and will stand ready to work with you toward that end.

Sincerely,

NANCY A. LEAMOND, Executive Vice President and Chief Advocacy and Engagement Officer.

Mr. Larson of Connecticut. Lastly, Mr. Speaker, I include in the RECORD a letter from the Congressional Budget Office, which details out the other shoe to your request for information about the effects of legislation that would raise deficits by an estimated $1.5 trillion over the 2018–2027 period, specifies OMB’s assessment of sequestration— or cancellation of budgetary resources—in accordance with the statutory Pay-As-You-Go Act of 2010 (PAYGO; Public Law 111–159).

The PAYGO law requires that new legislation enacted during a term of Congress does not collectively increase estimated deficits. The Office of Management and Budget (OMB) is required to maintain two so-called PAYGO scorecards to report the cumulative changes in estimated deficits. OMB would record the average security deficit on its PAYGO scorecard, showing deficit increases of, in the example provided, $150 billion per year. If the bill were enacted before the end of the calendar year, the amount would be included in the current year’s PAYGO scorecard balances.

Without enacting subsequent legislation to offset that increase, the PAYGO law, OMB would record the average security deficit on its PAYGO scorecard, showing deficit increases of, in the example provided, $150 billion per year. If the bill were enacted before the end of the calendar year, the amount would be included in the current year’s PAYGO scorecard balances.

However, the PAYGO law limits reductions to Medicare to four percentage points (or roughly $25 billion for this year), leaving $125 billion in the remaining mandatory accounts. Because the tax law entirely exempts many large accounts including low-income programs and social security, the annual resources available from which OMB must draw is, in CBO’s estimation, only between $85 billion to $90 billion, significantly less than the amount that would be required to be sequestered. For a full list of accounts subject to automatic reductions, see OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2018. (For a full list of accounts subject to automatic reductions, see OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2018, https://go.usa.gov/xnZ3U.)

Given that the required reduction in spending exceeds the estimated amount of available resources in each year, in the absence of further legislation, OMB would be unable to implement the full extent of outlay reductions required by the PAYGO law. If you wish further details on this estimate, we will be pleased to provide them. Sincerely:

KEITH HALL, Director.

Mr. Larson of Connecticut. Mr. Speaker, let me begin by preempting
DEAR REPRESENTATIVE, on behalf of our millions of members across this great nation, we write to urge you to oppose the Republican leadership's tax legislation, the misnamed Tax Cuts and Jobs Act (H.R. 1). This plan would hand tax cuts to the richest 1% and corporate polluters that are destined to be paid for by the health and environmental well-being of communities like yours, threatening the ranks of the energy- and pollution-intensive industries of West Hartford, with a combined income of $125,000, with a mortgage and a kid in college, according to the Joint Committee on Taxation, and to the Department of Revenue Services in the State of Connecticut, will see a tax increase of $767 next year.

Then with the clever clawback provision—that Grover Norquist kind of clawback provision that gives with one hand and takes away with the other—in 2023, that hardworking family in the middle class will see a $1,667 increase.

So why are we here?

It's pretty easy to figure out this. These are honorable people, but sometimes they are called upon to do a political task, or as Mr. COLLINS put it: My donors are basically saying, "Get it done or don't ever call me again."

Speaking of New York, my colleagues and I are of the professional class whom you have found that you want to tax their success.

But can the tax law injury to abuse all else, aside from being a donor State and double taxation, is the cruellest cut. We take a Pledge of Allegiance. We pledge allegiance to the Constitution. But some of you pledge allegiance to Grover Norquist. In doing so, you want to make sure that you can shrink Social Security and Medicare up so small you can drown it in the bathtub. That is what this does: $25 billion will come out of that.

The SPEAKER pro tempore. Members are advised to direct their remarks to the Chair.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 30 seconds. I would note that families in Connecticut's First District will see an average tax cut of $25 billion while the wealthiest 1% and corporate polluters that are destined to be paid for by the health and environmental well-being of communities like yours, threatening the ranks of the energy- and pollution-intensive industries of West Hartford, with a combined income of $125,000, with a mortgage and a kid in college, according to the Joint Committee on Taxation, and to the Department of Revenue Services in the State of Connecticut, will see a tax increase of $767 next year.

This plan steers most of its tax breaks to the wealthiest 1% and corporations and adds at least $1.5 trillion to the deficit. Americans across the country will suffer because those tax cuts are likely to be paid for by reducing or securing that our government provides, from healthcare to education to environmental protection. The health of communities across the nation will therefore be at risk. The Environmental Protection Agency is further harmed in its mission to protect public health and hold polluters accountable for violating laws like the Clean Air Act and Safe Drains Act, and the Endangered Species Act. The people who work in and benefit from America's thriving outdoor recreational economy will take a hit if the national parks and other lands stewarded by the Department of the Interior are forced to suffer further cuts because of this reckless tax plan.

This tax plan also steers our nation's energy policy in the wrong direction by leaving in place the vast majority of existing tax preferences for polluting industries like oil, gas, coal, and nuclear, and reducing, phasing-out, and eliminating incentives for cleaner sources of energy. Permanent tax breaks for fossil fuels dwarf those for renewables by a margin of 7:1. Yet this bill would suddenly eliminate the tax credit for purchasing an electric vehicle, disrupt the wind industry by reducing the credit for future projects by a third and placing into jeopardy the eligibility of existing projects, and eliminate the commercial solar investment credit. While some clean energy technology credits are reintroduced, they, too, are set to phase out. Meanwhile, oil companies will receive a new billion dollar hand out while only the smallest and most profitable corporations who are receiving huge and permanent tax cuts to the wealthy, but multiple analyses show that they are unlikely to choose to pay that amount. In short, including drilling in the Arctic Refuge in the tax legislation is both environmentally and fiscally irresponsible.

For these reasons, we urge you to oppose H.R. 1 and instead work together on legislation that will truly benefit our communities, power our economy with clean, renewable energy, and protect the environment that we all depend upon for our health and well-being.

Sincerely,

Mr. BLUMENAUER. Mr. Speaker, Donald Trump is going to be on Capitol Hill rallying Republicans to vote for his tax bill perfectly designed for his benefit: eliminating the alternative minimum tax, one of the few ways he pays any tax at all; abolishing the inheritance tax, allowing him to pass on his tax-free hundreds of millions of dollars to his family; and expanding access to the lower passthrough tax rates for many large and profitable businesses. Donald Trump lists hundreds of pass-through entities on his financial forms.

Donald Trump is the king of debt, and this monstrosity of a tax bill is fueled by increasing the national debt $2.3 trillion and cutting taxes for the wealthy financed by increased debt burden on our children and grandchildren.

Of course, details are starting to leak out, such as special deals for baseball teams. Breaking a bipartisan commitment to the wind energy industry is already causing their stock prices to fall, jeopardizing billions of dollars of projects and putting tens of thousands of jobs at risk with the only retroactive provision in the bill breaking a bipartisan commitment that many of us worked on with the energy industry. The Republican proposal showers energy riches on the wealthiest Americans and most profitable corporations who are not going to create jobs and raise wages. What they are going to do is buy things and make more money. This is not valuing to work for the years ahead, taxes are going to rise for millions of Americans and even more in the future.
Now, this tax perhaps has the most cruel element—what I call the Alzheimer’s tax—repealing the medical expense deduction used by over 9 million middle class Americans who saved almost $90 billion in 2015—gone. This action places additional burdens on many elderly and vulnerable middle-income Americans trying to plan ahead for the crushing financial burden dealing with Alzheimer’s. We never had a hearing on anything that would stand in the way of buying their time, buying the light of day. The American public will be cranky about this.

Mr. BRADY of Texas. Mr. Speaker, I am pleased to report that families of four, the average family in Oregon’s Third District, will see a tax cut of $2,200.

Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. HENSARLING), who is the chairman of the Financial Services Committee and a dear friend of mine.

Mr. HENSARLING. Mr. Speaker, for almost a decade, Americans suffered under Obamanomics. Their savings remained depressed, their paychecks were stagnating, their American dreams were diminished.

But, Mr. Speaker, a new day has dawned. Under the leadership of President Trump, Speaker RYAN, and Chairman BRADY, we are on the precipice of passing a fairer, flatter, simpler, and more competitive Tax Code, one built for 3-plus percent economic growth.

The American people can now imagine a Tax Code that brings jobs and capital back to America. They can imagine a Tax Code that is simplified from 70,000 pages to 500, where 90 percent of Americans can fill out their returns on a postcard. They can imagine a Tax Code that sweep of all the special interest loopholes. They can imagine a Tax Code that creating lower rates for working Americans and small businesses, and they can now imagine a Tax Code that is all about economic growth.

All my friends on the other side of the aisle stand in the thrall of divison, envy, and class warfare. I am proud to support the Tax Cuts and Jobs Act because it is all about better jobs, fair taxes, and bigger paychecks.

Mr. NEAL. Mr. Speaker, 17,000 people in Mr. HENSARLING’s district will now pay higher interest on their student loan deductions.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND), who is a great advocate for the heartland of America.

Mr. KIND. Mr. Speaker, of all the policy changes that are being recommended in this legislation before us today none that scares me the most is the repeal of the so-called Johnson amendment.

The Johnson amendment basically says: If you are a religious organization or a nonprofit and if you engage in partisan political activity, you lose your tax-exempt status.

Repealing that has the potential of politicizing the pulpit nationwide. In fact, 103 religious organizations, 4,200 faith-based leaders in this country, and 5,500 nonprofits have written a letter to every Member of Congress telling us: Don’t do this.

Mr. Speaker, I include in the record these letters which are attached.

Updated November 1, 2017

Hon. PAUL RYAN, Speaker, Washington, DC.
Hon. MICHELLE MCBRIDE, Senate Majority Leader, Washington, DC.
Hon. NANCY PELOSI, House Democratic Leader, Washington, DC.
Hon. CHUCK SCHUMER, Senate Democratic Leader, Washington, DC.
Hon. KEVIN BRADY, Chairman, House Ways and Means Committee, Washington, DC.
Hon. ORRIN HATCH, Ranking Member, Senate Committee on Finance, Washington, DC.
Hon. RICHARD NEAL, Ranking Member, House Ways and Means Committee, Washington, DC.
Hon. RON WYDEN, Ranking Member, Senate Committee on Finance, Washington, DC.

Tying America’s houses of worship to partisan activity deems the institutions from which so many believers expect unimpeachable decency.

Current law protects the independence of houses of worship. Houses of worship often speak out on issues of justice and morality and do good works within the community but they also labor to adequately fund their ministries. Permitting electioneering in churches would give partisan groups incentive to use congregations as a conduit for political activity and expenditures. To change the law would also make them vulnerable to individuals and corporations who could offer large donations or a politician promising social service contracts in exchange for making a position on a candidate. Even proposals that would permit an “insubstantial” standard or allow limited electioneering only if it is in furtherance of an organization’s mission would actually invite increased government intrusion, scrutiny, and oversight.

The charitable sector, particularly houses of worship, should not become another cog in a political machine or another loophole in campaign finance laws. We strongly urge you to oppose any efforts to repeal or weaken protections in the law for religious organizations, including houses of worship.

Sincerely,

African American Ministers in Action; African Methodist Episcopal National Action Commission; Alabama Cooperative Baptist Fellowship; Alliance of Baptists; American Baptist Churches USA; American Baptist Home Mission Societies; American Friends Service Committee; American Jewish Committee; American Jewish Committee; Anti-Defamation League; Association of Welcoming and Affirming Baptists; Ecumenical Center for Ethics; Baptist Center for Ethics; Baptist Fellowship Northeast; Baptist General Association of Virginia; Baptist Joint Committee for Reilgious Liberty; Bend the Arc: A Jewish Partnership for Justice; California Council of Churches IMPACT; Catholics for Choice; Ecumenical Ministries of Oregon; The Episcopal Church; Equal Partners in Faith; Evangelical Lutheran Church in America; Evergreen Association of American Baptist Churches; Faith Action Network—Washington State; Faith in Public Life; Faith Voices Arkansas; Faithful America; Florida Council of Churches; Franciscan Action Network; Friends Committee on National Legislation; Greek Orthodox Archdiocese of America; Hispanic National Bar Association; The Women’s Zionist Organiza- tion of America, Inc.; Hindu American Foundation; Hispanic Baptist Convention of Texas; Interfaith Alliances; International Social Service; Krishna Jagran CON; Islamic Networks Group; Islamic Society of North America.
Jewish Community Relations Council, Greater Boston; Jewish Community Relations Council of Greater Washington; Jewish Council for Public Affairs; The Jewish Federation of Greater MetroWest; Interfaith Mothering Circle; Jewish Federations of North America—Union for Reform Judaism; Jewish Women's Campaign; WORK Lobby for Catholic Social Justice; New Baptist Covenant; North Carolina Council of Churches; Oklahoma Conference of Churches; Pastors for Oklahoma Kids; Pastors for Texas Children; Pax Christi, Montgomery County, MD chapters; Pennsylvania Council of Churches; Presbyterian Church USA, Washington Office of Public Witness; Progressive National Baptist Convention; Reconstructionist Rabbinical Assembly; Religious for Peace USA; Religious Institute; Rhode Island State Council of Churches; Seventh-day Adventist Church in North America; South Carolina Christian Coalition; Southeast Texas Faith in Public Life; T'ruah: The Rabbinic Call for Human Rights; Tennessee Cooperative Baptist Convention; Texas Baptists Committee; Texas Faith Network; Texas Impact; Union for Reform Judaism; Unitarian Universalist Association; Unitarian Universalist Service Committee; Unitarian Universities Committee for Social Justice; United Church of Christ, Justice and Witness Ministries; The United Methodist Church, General Board of Church and Society; Wisconsin Interfaith Coalition Women of Reform Judaism; Women’s Alliance for Theology, Ethics and Ritual (WATER). —FAITH VOICES, August 16, 2017.

Representative KEN KENT, Washington, DC.

DEAR REPRESENTATIVE KENT: As a leader in my religious community, I am strongly opposed to any effort to repeal or weaken the current law that protects houses of worship from becoming centers of partisan politics. Changing the law would threaten the integrity of houses of worship. We must not allow our sacred spaces to be transformed into spaces used to endorse or oppose political candidates.

Faith leaders are called to speak truth to power, and we cannot do so if we are merely cogs in partisan political machines. The prophetic role of faith communities necessitates cogs in partisan political machines. The prophetic role of faith communities necessitates

Rabbi Jessica Barolasky, Rabbi, Reform Judaism, Milwaukee, WI.
Pastor Kara Winder, Director of the Center for Faith and Spiritual Care, Carthage College, Kenosha, WI.
Rev. Rae Ann Beebe, Pastor, St. Paul’s United Church of Christ, Oshkosh, WI.
Rabbi Marc Berman, Congregation Emanu-El B’n B’neshurim, Milwaukee, WI.
Ms. Andrea Bernstein, Director, National Council of Jewish Women—Milwaukee Section, Milwaukee, WI.
Rabbi Jonathan Blatch, Rabbi, Temple Beth El, Madison, WI.
Rev. Mary Anne Biggs, Pastor, First Congregational United Church of Christ, Eagle River, WI.
Rev. P. McGinnis, Parish Administrator, First United Methodist Church, Madison, WI.
Sr. Barbara Brylka, Pastoral Care Services, Felician Sisters—Villa St. Francis, Milwaukee, WI.
Sr. Rebecca Burke, Sister, Sisters of St. Francis of Assisi, Francisville, WI.
Rabbi David Cohen, Rabbi, Congregation Sinai, Milwaukee, WI.
Rev. Cindy Crane, Lutheran Office for Public Policy in Wisconsin, Madison, WI.
Rev. Michael Crosby, CR Agent, Province of St. Joseph of the Capuchin Order, Milwaukee, WI.
Sr. Frances Cunningham, Senior Sister, School Sisters of St. Francis, Roman Catholic Province of St. Francis, Milwaukee, WI.
Rev. Glenn Danz, Pastor, St. Paul’s United Church of Christ, Colgate, WI.
Mr. Steven C. Davis, Certified Lay Speaker-Leader, United Hospital Chapel, Whitefish Bay, Glendale, WI.
Dr. Beverly Davison, Lay Leader, Former President, American Baptist Churches (U.S.A.), Madison, WI.
Rev. Dr. James Davison, First Baptist Church, Madison, WI.

SIGNERS OF THE COMMUNITY LETTER

The Community Letter in Support of Nonpartisan Organizations from every state and every segment of the charitable and foundation communities, makes a strong statement in support of nonpartisanship and urges those who have vowed to repeal or weaken this vital protection to leave existing law in place for nonprofit organizations and the people they serve.

ALABAMA

Alabama Asian Cultures Foundation, Birmingham; Alabama Association of Nonprofits, Birmingham; Alabama Historic Ironworks Foundation, McCalla; Black Warrior Riverkeeper, Birmingham; Cahaba River Society, Birmingham; Cahaba Riverkeeper, Birmingham; Birmingham Montessori; Community Foundation of Greater Birmingham, Birmingham; Community Grief Support Service, Birmingham; Coosa Riverkeeper, Birmingham; Empowered to Conquer, Birmingham; Family Promise of Coastal Alabama, Mobile; First Light, Birmingham; First Presbyterian Church, Birmingham; Fraternal Order of Eagles; Friends of Shades Creek, Inc., Homewood; Gaap, Inc., Birmingham; Girls Inc. of Central Alabama, Birmingham; Global Ties, Alabama, Huntsville; Greater Birmingham Ministries, Birmingham; Heart Gallery of Alabama, Inc. Humane Society of Elmore County, Wetumpka; Huntsville Youth Orchestra; John Stallworth Foundation; JB Consulting, Hanceville; Pritchard Boxing Academy, Pritchard; Public Education Foundation of Anniston, Inc., Anniston; Ruff Wilson Youth Organization; Shelby Emergency Assistance, Inc., Montevallo; Society of Mayflower Descendants in Alabama, Alexander City; St. Vincent’s Health System, Birmingham; Swell Freelancing, Birmingham; The Arc of Cullman County, Pelham; The Dance Foundation, Birmingham; The Epilepsy Foundation of Alabama, Mobile; The Greater Huntsville Humane Society, Huntsville; The National Center for Fire and Life Safety, Calera; Theatre Tuscaloosa, Tuscaloosa; United Way of East Central Alabama, Andalusia; United Way of Greater Birmingham; Virginia Samford Theatre, Birmingham; Works in Progress, Birmingham.

Mr. KIND. Mr. Speaker, when I go to my church, South Beaver Creek Lutherian Church, Sunday mornings with my family in rural western Wisconsin by our family farm, I view that place as a sanctuary for my soul; a place for us to congregate, to commune, to spend time in fellowship with our fellow neighbors, and to check up on one another.

Yes, preach values and preach moral lessons to our children, absolutely. But by repealing the Johnson amendment, you have the potential of creating conflict in the pews. You could be creating Republican and Democratic churches, mosques, and synagogues overnight.

This is one of the last refuges, one of the last institutions that we still have across our country given that we are self-segregating and deciding whom we like to hang out with, who clubs we will join, what people we want to associate with, even our own family members, because of political affiliation. Our places of worship are one of the last places we can come regardless of political affiliation.

This will create unnecessary strife and unnecessary conflict, and it has the potential of driving young people away from organized religion because they won’t put up with this. It could be a backdoor attempt for a lot of political contributors now to get tax-exempt contributions to these organizations for direct, partisan political campaigns. That is why the Joint Committees on Taxation viewed this as a cost of over $2 billion.

Mr. Speaker, I ask my colleagues to reconsider and reject this, and let’s prevent that conflict in our communities.

Mr. BRADY of Texas. Mr. Speaker, I am pleased to announce that the average family of four in the Third District of Wisconsin will see a tax cut of over $2,000.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. CHABOT), who is the chairman of the Small Business Committee and a champion for small businesses.

Mr. CHABOT. Mr. Speaker, I rise in support of H.R. 1, the Tax Cuts and Jobs Act.

As a result of this bill, Ohio families will keep more of what they earn. Additionally, it will create tens of thousands of jobs in Ohio and in other States across the country.

As chairman of the House Small Business Committee, I want to make sure that the Tax Code works for our Nation’s job creators so that we can create jobs, not against them.
Seven percent of the new jobs created in the American economy nowadays are created by small businesses. Unfortunately, small businesses are getting killed by the existing Tax Code.

This Tax Code will bring rates down from approximately 40 percent for small-business owners to, in many cases, 25 percent and, in a lot of cases, 9 percent. From 40 percent down to 9 percent. That means small businesses can keep that money, invest and create more jobs for more Americans.

The naysayers here obviously can't say enough bad about this bill, but it is going to be good for America. I urge my colleagues to support it.

Mr. NEAL. Mr. Speaker, one-third of the gentleman's constituents claim the State and local tax deduction, totalling $11,684 per family.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey (Mr. PASCAREL), a great friend to all of us here in this institution.

Mr. PASCAREL. Mr. Speaker, before I stand here today, I stand here before the RECORD two articles. One is a letter from the National Fraternal Order of Police, representing 330,000 police officers in this country coming out against this bill because it will affect their members in a very, very painful way. The other is an article in The New York Times today: "Republican Tax Plans Put Corporations Over People."

WASHINGTON.—There are tough choices at the heart of the Republican tax bills speeding through Congress, and they make clear what the party values most in economic policy right now: deep and lasting tax cuts for corporations.

The bill set to pass the House on Thursday chooses to take from high-tax Democratic states, particularly California and New York, and give to lower-tax Republican states, particularly Florida and Texas. It allows for tax increases on millions of families several years from now, because does not intervene, but for not similar increases on corporations.

The version of the bill moving through the Senate Finance Committee chooses to give peace of mind to corporate executives planning their long-term investments. That comes at the anxiety for individual taxpayers, particularly those in the middle class, who could face stiff tax increases on Jan. 1, 2026.

A consistent conservative philosophy underpins all those decisions. So does a very large bet—economically and politically—on the power of business tax cuts to deliver rapid wage growth to United States workers.

There is also the appearance, to liberal critics in particular, of Republicans seeking to reward their prized constituencies first, while leaving others to bear the consequences if their most optimistic scenarios do not play out.

The tax cuts have evolved rapidly since House leaders first introduced their bill at the beginning of the month. Amendments in the Ways and Means Committee restored some cherished deductions that had been targeted for elimination, including those for adoptive parents, and expanded the bill’s tax breaks for owners of businesses that are not organized as traditional corporations.

The Senate bill differed from the House version when it was introduced last week, and broke further away on Tuesday night, with a package of amendments that included repealing the Affordable Care Act’s mandate that most individuals buy health insurance.

To comply with procedural rules that would allow Republicans to pass a party-line vote in the Senate, the amendment also set an expiration date—Dec. 25, 2025—on all the individual tax cuts in the legislation.

The plans also differ on their treatment of state and local tax deductions. The Senate would kill them entirely. The House would maintain them only for property taxes and cap the deduction at $10,000 a year. Economists generally say that those tax breaks are inefficient. But eliminating them, in the context of a tax cut up to a $4,000 increase in a large geographic transfer of income, according to research by Carl Davis, the research director of the Institute on Taxation and Economic Policy.

The House bill would raise personal taxes on Californians and New Yorkers by a combined $16 billion in 2027. Mr. Davis found, while cutting personal taxes on Texans and Floridians by more than $30 billion in total.

His analysis finds only one state that Mr. Trump carried in 2016 that would lose lower personal tax benefits under the bill than would be expected, given its share of national income, compared with 11 states that would lose more. The average Trump state would receive 82 percent of its expected benefits, by share of national income, under the plan. The average Clinton state would receive 181 percent.

"It’s not unusual for a tax bill to have varying impacts in different parts of the country," Mr. Davis said. "But the degree to which this bill makes winners and losers out of different states is remarkable."

Curtailing state and local deductions helps furnish core features of House and Senate bills, which happens to be one of the few provisions Mr. Trump has called non-negotiable in tax discussions: cutting the corporate income tax to a flat 20 percent rate, down from a top rate of 35 percent today. Republicans have kept those cuts permanent, even as the Senate applied an expiration date to the entire tax code.

Key tax cuts for families in the House bill. The Senate bill also sets an expiration date on breaks for so-called pass-through businesses, whose owners do not pay the tax directly. The Senate would also phase in plans to reduce the corporate tax rate to 15 percent over a decade. The Senate bill is scheduled to deliver an individual tax increase on 137 million tax filers in 2027 if Congress does not intervene first, according to calculations by Ernie Tedeschi, an economist at Evercore. The Liberals were the talk on profits through the tax code for individuals.

In Washington, Republicans have stressed that cutting corporate taxes will supercharge economic growth, job creation and raising wages in the process. By that theory, making such cuts permanent is essential.

The gamble is apparent. Polls show that voters want corporations to pay higher, not lower, taxes and that they doubt corporate cuts will show up in their own paychecks, as the White House said. Perhaps not coincidentally, Republican leaders have pitched their bills largely as middle-class tax cuts, stressing the benefits for the typical American family during television appearances and news conferences.

"The policy expects that the corporate tax cuts will do the most for growth," said Lanhee J. Chen, a research fellow at Stanford University’s Hoover Institution, who was the policy director for Mitt Romney’s presidential campaign. On the other hand, they’re the hardest to explain."

It is an especially tricky explanation in the context of the requests Republicans are making on individual tax cuts. Similarly, the middle class, to trust that any benefits they see from the bills will not vanish over a decade. The Senate bill is scheduled to deliver an individual tax increase on 137 million tax filers in 2027 if Congress does not intervene first, according to calculations by Ernie Tedeschi, an economist at Evercore.

"And I think it’s starting with taking them at face value."
which is leading to good policy,” said Maya MacGuineas, the president of the Committee for a Responsible Federal Budget.

Republican leaders in both chambers have said they won’t allow individual tax breaks to expire—and that their corporate cuts will yield enough growth and additional tax revenue to pay for themselves, or at least most of them. MacGuineas and others fear the opposite could be even more likely: that growth will fall far short of those optimistic projections, and when the expiring tax provisions come up for reauthorization, budget deficits will be swelling. The result, they say, would be more hard choices—and predictable ones.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are advised that editorial content inserted within unanimous consent requests could result in Members’ time being charged.

Mr. PASCRELL. Mr. Speaker, if it weren’t bad enough, Mr. Speaker—and I come over to this side for a reason: I have got many brothers and sisters whom I love here—this is a terrible bill.

Unanimous consent here. The real price of this bill is hidden. $30 billion in interest on the debt every year. Who pays for it?

If it weren’t bad enough, the taxes that people have to pay today, as well as our children and our grandchildren, but beyond that, the real price of this bill is further hidden. The temporary family flexibility credit expires after 5 years. The temporary exclusion for independent care costs expires after 5 years.

Some have estimated that, if Republicans make these provisions permanent, as they claim will happen in future Congresses, the costs of the bill will increase to over $400 billion. The Senate bill cuts off relief for families in 7 years. They are hiding over $500 billion in costs.

I am particularly interested in the SALT exclusion as a deduction. Folks in New Jersey, California, Maryland, New York, Connecticut, and others are going to be paying the costs of this deduction being removed.

You can’t make this up. In fact, the increase mostly comes from eliminating the State and local tax deduction for individuals, but corporations can continue to deduct their State and local taxes. You can’t, Mr. and Mrs. America.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WALKER).

Mr. WALKER. Mr. Speaker, today is not just about tax reform. Today is also about what we fundamentally believe as a nation. Today, we say working-class families, not the government, are best equipped to make financial decisions.

Did we hear anything from our Democratic friends for nearly 8 years about flowing taxes to middle and lower income families? We did not.

Now, for the first time since 1986, we are going to overhaul our broken Tax Code.

Here is what it means for families in North Carolina. Middle-income families will see more than a $2.300 increase in their take-home pay. The Tax Cuts and Jobs Act means more than 30,000 new jobs in North Carolina.

I am encouraged that the Senate colleagues who also decided to include the ObamaCare individual mandate repeal and would urge our House Conference to consider it, as well.

Last, I would like to thank Chairman BRADY. The Republicans are the majority in the United States House. Thanks to his work and that of his team, today we keep our promise. It is time to move forward.

Mr. NEAL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT), a thoughtful member of the Ways and Means Committee.

Mr. DOGGETT. Mr. Speaker, the promise of tax reform has degenerated into little more than a scam to aid tax dodgers. While public attention is diverted elsewhere, Republicans are rushing through this sham of a bill, developed in the dark with lobbyists, before most Americans realize what is about to hit them in the face.

Instead of more jobs at home, Republicans create a giant, new gaping loophole to ship ever more jobs abroad. Even Speaker Ryan’s home State Republican Senator Ron Johnson concedes that, under this bill, “there will be a real incentive to keep manufacturing overseas.”

It is hardly a surprise since President Trump’s Wall Streeteer designated to run the show has just been identified personally from leaked Bermudan documents as the past executive of not one, but 22 different island tax-paradise shell companies.

Meanwhile, another loophole, carried interest, that flows to plutocrats like Donald Trump. That is the very injustice he promised to stop last year. It will just keep flowing right into their pockets.

As for the deduction for student interest for those who are overwhelmed with college loans, like other middleclass tax provisions, that is part of the $65 billion that is cut out of tax incentives by Republicans in this bill.

They are totally dependent upon alternative facts.

Today’s bill even authorizes those who want to pay absolutely zero in tax to do that by abolishing the alternative minimum tax (AMT). That one change that they make, in one year, would have put $31 million in Donald Trump’s pocket.

So you can certainly understand why he is coming to the Capitol today, just to say thank you: Thank you for the billions-plus that is estimated to go to the Trump family under this bill. “When does my tax refund get here?” he must be saying.

Of course, we don’t know precisely how much Donald Trump is enriched because these Republicans keep colluding to hide his tax returns.

Republicans want to apply a “dynamic score” to this bill. I say: create a dynamic workforce, invest in people, and don’t overwhelm us with endless debt. Develop a more competitive, healthy workforce that empowers our DREAMers and other immigrants and that gives every American access to education and skill upgrades to achieve their full, God-given potential.

As they deny one middle-class deduction after another and impose this new Alzheimer’s tax, Republicans claim that they have a patented tax miracle cure for most everything but baldness.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Mr. Speaker, I yield the gentleman from Texas an additional 15 seconds.

Mr. DOGGETT. We have seen this trickle-down, medicine sideshow before. It didn’t work then; it won’t work now.

All they are doing is grabbing for a political life preserver after 10 months of Republican failures and leave America drowning in debt. This isn’t “tax reform.” It is a gift only to Washington special interests that must be stopped.

The SPEAKER pro tempore. Members are reminded to refrain from engaging in personalities toward the President.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, my late father was the ranking Republican on the House Ways and Means Committee when the last tax reform was passed in 1986. I know personally how difficult it was then to bring all the competing interests together. Everything looks easy from a distance.

Everyone in this Congress would write a slightly different tax bill if given the chance to do so, but we can’t have 535 different tax bills. Even Chairman Brady would change some things if he had complete control over it. I would favor some slight differences, but this is a great bill, overall, for middle-income people. We need to do more in the future to cut spending along with it.

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Kevin Brady is the right man at the right time. I think he has done a masterful job in bringing this bill to the floor. No other bill will do more to help keep jobs in this country. No other bill can pass in this Congress would do more to help middle-income families than this one will.

The bill’s passage.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DANNY K. DAVIS), whose knowledge of new markets tax credits is second to none in this institution.

Mr. DAVIS of Illinois. Mr. Speaker, I include in the Record two letters: one from the National Education Association and one from the American Council on Education.
students they serve, we urge you to Vote No on the Tax Cuts and Jobs Act (H.R. 1), a rewrite of the U.S. tax code being voted on this week. This multi-trillion dollar plan is a tax giveaway for the wealthy and corporations paid for on the backs of working families and students, and jeopardizes the ability of states and local communities to adequately fund schools and prepare today’s students to be successful in tomorrow’s economy. This issue may be included in NEA’s Legislative Report Card for the 115th Congress.

Tax plans reveal the priorities of a nation and in this respect this one tells working and middle-class families, students, and educators that they must sacrifice in order to further enrich the wealthy and corporations. The bill was crafted for several reasons outlined below.

A GIVAWAY TO THE WEALTHY AND CORPORATIONS SETS UP DRAChic CUTS TO MEDICAID, MEDICARE, AND EDUCATION

Analysis of the Joint Committee on Taxation’s estimate of H.R. 1’s impact shows that the bill is overwhelmingly skewed to the wealthy. Households with annual incomes over $1 million would receive 16 times the percentage increase in after-tax income as other taxpayers. In addition, 45 percent of the tax cuts would go to households with incomes above $500,000—less than one percent of filers. Meanwhile, JCT estimates show that taxes would actually increase for incomes between $20,000 and $40,000 over the life of the bill.

For now, much of the tax cuts will be deficit-financed, but the budget resolution that helped pave the way for this plan prevents the next phase: future legislation to cut the growing deficit caused by tax cuts by demanding cuts to critical services that help working families, students, and seniors—Medicaid, Medicare, education, and more. In fact, some of this impact will be immediate. According to the Congressional Budget Office (CBO), the tax plan would eliminate a $21 billion investment in public schools, infrastructure, and other services.

Turning Popular 529 College Savings Plan Into a Voucher-Like Scheme for the Wealthy

The tax plan distorts a popular education tax program for middle-class families by creating a voucher scheme with no income limits that is aimed at benefiﬁting the wealthy to set aside up to $10,000 annually in a tax-free account for private school expenses. Both the Heritage Foundation and Education Secretary Betsy DeVos agree, noting to the Committee on Ways and Means that the tax plan is “... a good step forward...” in allowing public dollars to follow children to private schools. This house- hold-levy voucher program will only beneﬁt the wealthiest families who can already afford private school tuition at the expense of our students and taxpayers.

In the end, no matter what form or name a voucher program takes, the impact is the same. This risky voucher program will hurt students and neighborhood schools—where 90 percent of children attend.

ELIMINATION OF THE MODERATE EDUCATOR TAX DEDUCTION

While offering huge giveaways for wealthy individuals and corporations, the plan inexplicably eliminates the popular educator tax deduction that allows educators to deduct eligible unreimbursed out-of-pocket classroom spending—books, paper, pencils, and art supplies purchased to supplement meager school budgets—up to $250 annually. The popular plan made “permanent” by Congress would instead $2 million tax returns in 2015, almost every educator pays out of pocket for school supplies. The National School Supplies and Equipment Association (NSSEA) estimated that public school educators spent $1.8 billion of their own money during the 2013 school year on classroom supplies. An estimated 99 percent of public school teachers spent some amount of money out of pocket for their classrooms, with typical amounts ranging from $500-$1,000.

MAKING COLLEGE EVEN MORE COSTLY FOR FAMILIES

The plan also eliminates the student loan interest deduction. This is bad news for students and graduate students, who pay billions of dollars in education debt each year and pay a higher interest rate than any other consumer debt. As a result of the deduction, millions of students are able to graduate without incurring long-term debt.

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ELIMINATING SUCCESSFUL SCHOOL CONSTRUCTION BONDS PROGRAM

The Qualified Zone Academy Bond (QZAB) Program has proven to be an efficient and effective means for O&Ms, disadvantaged communities address pressing renovation and repair needs in schools. Investors receive a federal tax credit equal to the amount of interest paid by the bond and the grantee repays any negative impact on succeeding communities. This program has proven to be a successful school construction tool.

Section 5001 of H.R. 1 could subject certain investment of state and local government pension plans to the unrelated business income tax (UBIT). Earnings paid for approximately two-thirds of state and local government pension benefits, which are taxed when distributed to participants. In 2016, Detroit stopped paying out $1.2 billion a year to its defined benefit plans, and it is an example of what happen- ing $111 billion to be sequestered from re- duction for filers with incomes between $20,000 and $50,000. The cost of the bill’s tax cuts would go to the percentage increase in after-tax income for those who are wealthier.

ELIMINATING SALT DEDUCTION IS A TAX IN-
Americans in a way that does not increase college costs and does not make a quality higher education less accessible. We are eager to work with Congress to enact such legislation, but this bill heads in the wrong direction.

Our main objections to the bill are listed below, in the order in which they appear in the legislation. Our order is not meant to reflect prioritization:

Sec. 1002: Changes to the standardized deduction, which will reduce charitable contributions;
Sec. 1002: Repeal of Lifetime Learning Credit, while not substantially increasing the American Opportunity Tax Credit (AOTC);
Sec. 1204: Repeal of the Student Loan Interest Deduction (SLID); Sec. 117(d): Repeal of the qualified tuition reduction;
Sec. 127: Repeal of educational assistance program;
Sec. 1303: Creation of a new excise tax on endowments at private colleges and universities;
Sec. 5103: Termination of private activity bonds;
Sec. 117(d) permits educational institutions to provide their employees, spouses, or dependents with tuition reductions that are excluded from income for helping them afford a college education and providing an important benefit to many middle- and lower-income families.

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For all of these reasons, we strongly believe that Sections 117(d) and 127 should be preserved.

SUBTITLE B—SIMPLIFICATION AND REFORM OF EDUCATION INCENTIVES

Sec. 1201. The American Opportunity Tax Credit (AOTC)

H.R. 1 would repeal the Lifetime Learning Credit (LLC) only expanding AOTC to include a fifth year of reduced support. This would be a large step backwards, not an improvement, for many students and their families who are currently in need. We appreciate that the bill maintains the expanded eligible expenses of the AOTC, which includes required course materials, as well as the current income thresholds. But we are extremely concerned that the ‘enhanced’ AOTC, as written, would preclude graduate students, part-time students, lifelong learners who are currently in need. And any student taking longer than five years to finish their education from accessing the AOTC, adversely impacting their financial ability to pursue a degree or lifelong learning. Indeed, under the changes proposed in the bill, many non-traditional students, the fastest-growing segment of students in higher education—would lose significant tax benefits they currently rely upon to help finance their higher education.

The legislation as written would repeal the current Student Loan Interest Deduction (SLID). Under the bill, any individual with income up to $160,000 (or $320,000 on a joint return) repaying student loans can currently deduct up to $2,500 in student loan interest paid. In 2014, 12 million taxpayers benefited from SLID. Eliminating this provision would mean that, over the next decade, the cost of student loans for borrowers would increase by roughly $13 billion.

H.R. 1 would also repeal two important provisions meant to exclude tuition waivers and tuition exemptions from income for campus employees and graduate students. Section 117(d) permits educational institutions to provide their employees, spouses, or dependents with tuition reductions that are excluded from income for helping them afford a college education and providing an important benefit to many middle- and lower-income families.

The American Opportunity Tax Credit (AOTC) is an important benefit to many middle- and lower-income families.

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For all of these reasons, we strongly believe that Sections 117(d) and 127 should be preserved.

SUBTITLE D—SIMPLIFICATION AND REFORM OF EDUCATION INCENTIVES

Sec. 1303. Repeal of deduction for certain state and local taxes (SALT) deduction would have a significant negative effect on state budgets, forcing state governments to make very difficult and harmful funding decisions. The SALT deduction helps state and local governments fund public services that provide widely shared benefits. Limiting the deduction will almost certainly make it harder for states and localities—many of which already face serious budget strains—to raise sufficient revenues in the coming years to fund higher education and other critical social services. A long-term decline in state support for higher education and cuts to SALT will exacerbate this problem. Cuts in state support for public higher education and potentially cuts to SALT would mean that states need to make cuts, support for higher education is often a primary target.

On behalf of:


Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, the Republican tax bill is a dangerous bill that raises taxes on 36 million middle-class households; takes healthcare from tens of millions of Americans; skyrockets the cost of health insurance for all Americans, but especially for those who are sick or have preexisting conditions; and directs cuts to Medicare, safety net spending next year—all to give corporate special interests immediate, permanent, and monumental tax cuts.

Cut, cut, cut is all that I have heard this week; cut the safety net; cut service for the needy; cut service for the physically challenged; cut the poor; cut the homeless; cut Medicaid; cut education; cut out low-income tax credits; cut out new market tax credits; cut out social services; cut block grants; cut student loans.

Winter is here. Cut the Low Income Home Energy Assistance Program. If you live in Chicago, Minneapolis, the Midwest, or the Northeast, without any heat, you are subject to catch pneumonia and die. There is no doubt about it.

I can imagine that college residents, hospital administrators, and managers of programs are wringing their hands, wondering what they are going to do. I heard a minister last Sunday at one of the churches in my community asking this, and he said: Pray, organize, vote. Vote against this bill.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. Higgins), one of the most knowledgeable members of the Ways and Means Committee.

Mr. HIGGINS of New York. Mr. Speaker, this is nothing more than a hit job on middle America to pay for a massive tax cut for corporate America. The only certainty from this charade is slower economic growth, more income inequality, and exploding budget deficits.

When you take away tax relief from sick people who were born into illness and for whom insurance doesn’t provide enough coverage, that is a hit on middle America.

When you remove help for people who are just trying to make college affordable, who are trying to make themselves better, that is a hit on middle America.

And if workers have to move because their employer is forcing them to relocate their families or lose their jobs, they will no longer be able to deduct their State and local taxes, protection worth more than $8,000 per household, that is a hit on my community, it is a hit on New York State, and it is a hit on each and every community in America.

And when you take away the essential needs of middle America to feed the rapacious needs of corporate America, it is a hit on fundamental fairness, and that, Mr. Speaker, is a hit on all of America.

Mr. CRAMER of North Dakota. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. Cramer).

Mr. Cramer. Mr. Speaker, we know that the economic and job creation benefits are key components of the Tax Cuts and Jobs Act, making the U.S. globally competitive, giving much-needed tax cuts to American business, and much-needed wage increases to American workers. But, Mr. Speaker, it is really the long overdue direct tax benefits to the vast middle class, who don’t have a lobbyist living in the rich suburbs of Washington, D.C., that take center stage for me and my fellow North Dakotans.

You see, 80 percent of the citizens of North Dakota file claiming this standard deduction. That means, Mr. Speaker, that the vast majority of my constituents will see their deductions nearly doubled if they do nothing else. And obviously, with the doubling of the standard deduction, they may inspire even more North Dakotans to claim this simple deduction.

Mr. Speaker, this huge benefit, combined with greater job opportunities and simpler, less expensive filing costs, and, of course, a generous family tax credit, will put more money in the pockets and less anxiety in the hearts of middle class North Dakotans. Supporting this reform package is easy for me because it is right for North Dakota, and I thank the Chairman BRADY for this outstanding work.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Ms. DelBene), a very successful businesswoman in her own right who understands the modern economy.

Ms. DelBene. Mr. Speaker, in this Ryan-McCann tax bill, Republicans are touting the largest set of corporate tax cuts in our country’s history. They are raving that their corporate cuts will create jobs, even though we know that trickle-down economics has never worked and never will.

Instead of bringing Democrats and the public into the process, Republicans have made the most cynical tradeoffs, only hurting people who need help the most.

This is wrong. Tax reform should be about coming together and making choices that reflect our values. Under this plan, the tax bill, who buy supplies for their students, like pens, pencils, and paper, will lose the ability to deduct those costs from their tax returns, but corporations still can deduct supply costs.

Firefighters will no longer be able to deduct their State and local income or sales taxes, but corporations still can.

Homeowners will no longer be able to deduct all of their property taxes, but corporations still can.

If workers have to move because their employer is forcing them to relocate their families or lose their jobs, they will no longer be able to deduct their moving expenses, but corporations, even those offshoring jobs, still can.

This bill increases taxes on 36 million working families and rips away key lifelines that help people struggling with long-term illness, childcare, and education expenses. It blows a $1.5 trillion hole in the deficit and burdens our children and grandchildren with debt, triggering an automatic $25 billion cut to Medicare. This bill gives massive permanent tax cuts to corporations,
but working families will have to live with the temporary scraps thrown at them.

Bottom line: this bill hurts Americans from cradle to retirement, and I urge my colleagues to vote “no.”

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. KELLY), one of the leaders of the Tax Policy Subcommittee.

Mr. KELLY of Pennsylvania. Mr. Speaker, I thank Chairman Brady and all the members of the Ways and Means staff who have worked tirelessly in order to bring this bill forward.

I can’t tell you how excited I am to be here today. My friend, Mr. Larson, and I notice he wears a pin with a picture of John Kennedy, one of my favorite Presidents of all time.

Let me just read from a speech that President Kennedy gave on December 14, 1962. This is 55 years ago, and he gave it in an address to the Economic Club of New York.

“Our true choice is not between tax reduction, on the one hand, and the avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as we are insecure, we cannot keep rising, an economy hampered by restrictive tax rates will never produce enough revenues to balance our budget—just as it will never produce enough jobs or enough profits.

"... and unless our employment can balance the budget, and tax reduction can pave the way to that employment. The purpose of cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous, expanding economy, which can bring a budget surplus."

Keeping that in mind—and I hear the debate going back and forth—I would just encourage all of our Members: you are going to have a choice today to take your voting card, and you are going to put it in the voting machine, and you can push a green button that says “go,” putting this Nation back on track, making America the greatest economic power in the world; or you can push the red button and say: you know what, just not something I can vote for today because it is just not exactly what I want.

Next week, 50 million Americans will travel because they want to come home; they want to come home for the holidays; they want to come home for Thanksgiving. This bill is a Thanksgiving bill. This is a jobs bill because what we are telling corporate America is we want you to come home. We want to make this a more favorable environment for you to live, to work, to succeed, because we know that true success in business is only a sustainable business model.

So when you tax people at the highest rates in the industrialized world, when you regulate people that puts them in an uncompetitive advantage on the shelf, they can’t exist, and so where do they go? They have to leave home to go overseas to find that answer.

Now, I just want to go over some things that really are important. A friend of mine by the name of George Abraham, who is a basketball coach—George and I were talking one day and we were talking about the value of winning. And George said to me: You know what, Mike, the only position you want to be in is the number one position.

And I said: Really?

He goes: Yes. Because anything other than finishing first is you finish with the rest.

If you were to take a survey, and Forbes did, and they said: If you were starting a business today, where would you start that business?

And right away, I would say: Are you kidding me? It is the United States of America because of who we are, our greatness.

And no, there are 22 other countries that people say I would rather go someplace else to do it right here in America. That is incredible. And when we talk about where we are as a people—where we are as a people—listen to these figures. These are not my figures, by the way. This is the Tax Foundation.

Cuts for Americans at every economic level;

Reduces taxes by almost $1,200 for every average-size middle-income American family;

Reduces taxes by almost $2,000 for every average-size middle-income family in Pennsylvania’s Third District;

Grows national GDP by 3.5 percent;

Increases American wages by 2.7 percent;

Increases after-tax income for every taxpayer by 3.8 percent in the long run;

Increases after-tax incomes for median families in Pennsylvania by over $2,300;

Creates almost 900,000 new American jobs.

Creates, in my State of Pennsylvania, over 36,000 new jobs.

So I say, this is a jobs bill. This is a revenue raiser for us. This is about bringing people back home. This is about more take-home pay for every hardworking American guy and gal who is out there who gets up every day and gets up to do one thing, and that is, to protect their families and work in the interest of their country.

I am asking you today to look at this card and know that you have within the power of your vote to unleash the greatest economy in the world, to unshackle it from a Tax Code that makes it impossible to compete globally, that overregulates it and forces it offshore, and then blames them for leaving.

This is a “come on back home.” This is a “don’t leave home; stay here; we are on your side; we are going to work with you; and we are going to get there.”

I ask my friends on both sides of the aisle: Let’s do what is right for America. If it is right for America, it is right for Republicans, it is right for Democrats, it is right for Independents, it is right for Libertarians, it is right for America.

This is the right time to do the right thing. My friends, we cannot stay and pretend that we are on the one hand and acting like we are on the other. It is increasingly clear that avoidance of large Federal deficits on the one hand, and the purpose of cutting taxes now is not to pave the way to that employment. The other. It is increasingly clear that our national security needs economic power in the world; or you don’t ask to be repaid, just to be able to deduct the expense.

If corporations get to keep this deduction, why not our teachers? And then if that is not cruel enough, they eliminate the deduction for extraordi

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

Mr. NEAL. Mr. Speaker, I am delighted to have Mr. KELLY—as he describes sports teams, we discovered he is a closet Patriots fan.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Ms. JUDY CHU), whose history, in terms of revenue and revenue collection, is well known to the Congress.

Ms. JUDY CHU of California. Mr. Speaker, one thing is clear about the GOP tax scam: corporate interests get a windfall tax break. Who pays for it? The middle class. Who wins? Corporations, billionaires, millionaires, the Trump family. Who loses? Women, families, seniors, teachers, students.

As a former Los Angeles Community College teacher of 20 years, I can’t believe what Republicans are doing to students. They rip away critical benefits that help our students pay for their college education. They eliminate the student loan interest deductions and choose to tax graduate students on money they have never even received by taxing the tuition assistance they get for working for their schools.

This bill even pinches students when they are still in elementary school by taxing their teachers who claim a deduction for the school supplies they pay for out of their own paycheck. One teacher in my area even pays for the ink in her classroom printer. They don’t ask to be repaid, just to be able to deduct the expense.

If corporations get to keep this deduction, why not our teachers? And then if that is not cruel enough, they eliminate the deduction for extraordinary medical expenses, like Alzheimer’s and cancer. And this week we learn that Republicans plan to pay for these corporate cuts by causing 13 million people to lose their health insurance, a move that will increase premiums by 10 percent and result in individuals with pre-existing conditions losing access to lifesaving affordable coverage.

Then Republicans eliminate the State and local tax deduction, which is important for over 50 million California households, to prevent them from hard-earned dollars from being taxed twice. Of all the States, California will actually face the largest net tax increase.
from this bill of $12.1 billion in 2027 alone.

California Republicans who vote for this bill ought to be ashamed of themselves, and the voters need to hold them accountable. Thirty-six million middle class families will be stuck holding the bag under this plan. For what? For tax cuts for corporate interests. This is unacceptable.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. RENACCI), one of our key members of the Ways and Means Committee.

Mr. RENACCI. Mr. Speaker, I rise today in support of H.R. 1, the Tax Cuts and Jobs Act. First of all, I want to thank President Trump for making this a priority, but I especially want to thank Chairman BRADY for his tireless efforts and leadership in bringing this legislation to the floor today.

The regime we faced was a 24-year-old starting a business in Ohio. He borrowed money and started hiring people. As he grew his business, he didn’t take a paycheck and kept hiring hard-working middle-class Americans. But then, and started looking over things, he couldn’t hire anymore, because of the tremendous tax bill owed to the Federal Government.

That is what small business entrepreneurs face in today’s tax environment. That 24-year-old was me. Luckily, I was a certified public accountant. I was able to figure out a way to make my business work and grow without our suffocating Tax Code or through our suffocating Tax Code.

Unfortunately, most small-business owners do not experience the Tax Code complexities until they get started. They have an idea, they start their business, and then the government steps in and taxes them.

If my three children were to ask me today if they should risk starting a business, I would be hesitant to push them down that path, which is why I support H.R. 1, which lowers the tax rate for businesses and gives hard-working taxpayers a break. This bill puts more money in their pockets to do with it what is important to them, those hardworking taxpayers, not letting the government take it and waste it.

Lowering the individual rate will give Americans the opportunity to choose not to spend their money instead of banking on a government to spend it for them.

On the business side, the harsh reality is that America has become an uncompetitive place to do business. With the corporate tax rate in the developed world, it should not be a surprise that businesses are relocating to countries with better business climates. Fortunately, by bringing our rate down to 20 percent, we can make America one of the most competitive countries in the world to do business.

It is hard for U.S. companies to compete against companies based in Canada, where the Federal income tax rate is 15 percent, Ireland at 12.5 percent, or even the U.K., which will be 17 percent by 2020. Businesses set their prices to be competitive. The U.S. has to set its business rate to compete, as well.

The burden of the corporate tax rate is not just a Wall Street problem; it is a Main Street problem. Business entities do not pay taxes; people do.

The burden of the corporate tax rate falls on three categories of people: shareholders, customers, and employees. Corporations do not pay taxes; we, the shareholders, customers, and employees, do.

Mr. Speaker, I urge my colleagues to reject this misguided and mean-spirited tax bill that is being rushed through this Congress today.

Mr. Speaker, this Republican sham tax bill pits corporations and losers. The winners under this tax bill are corporations, Wall Street fat cats, the top 1 percent of the highest wage earners in America, and the special interests. The losers are the middle class, working families, students, the most vulnerable in our society, and our farmers.

Mr. Speaker, I urge my colleagues to reject this historic reform so more Americans can choose where their money goes.

Mr. Speaker, I urge passage of H.R. 1.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Alabama (Ms. SEWELL), a Marshall Scholar and attorney.

Ms. SEWELL of Alabama. Mr. Speaker, I rise today to urge my colleagues in this Congress to reject the tax bill currently being rushed through the House.

This bill compellingly describes the needs and priorities of American family farmers and ranchers. Mr. Trump was his 2005 tax return in which he had to pay $38 million. Why? Because of AMT. The two tax bills being considered in both Congresses would add $1.5 trillion to the U.S. deficit over ten years Statutory pay-as-you-go (PAYGO) rules require that increases in deficit spending be met with equivalent, reduced or non-empt mandatory programs. The government would be required to cut such programs by $150 billion per year in accordance with PAYGO.

The total available pool of funding for all non-empt mandatory programs amounts to $150 billion per year, including ARC and PLC, both of which are critical to keeping family farmers and ranchers in business during times of economic uncertainty and the annual and a number of mandatory programs, including Social Security, the Supplemental Nutrition Assistance Program (SNAP), federal crop insurance, and the Conservation Reserve Program (CRP), are exempt from PAYGO. Farmers Union has long opposed using budget sequestration to reduce the federal deficit, especially on agricultural programs. Farmers Union has long opposed using budget sequestration to reduce the federal deficit, especially on agricultural programs, added Johnson. This proposal asks farmers and ranchers to trade any possible tax benefits for the elimination of farm safety net payments, like ARC and PLC. That would be a disastrous trade. NFU continues to advocate for a simplified, progressive tax code that does not risk programs vital to the success and well-being of American family farmers and ranchers.

Ms. SEWELL of Alabama. These are the very same people that this President promised to benefit.

This is what this bill does for corporate America.

It dramatically cuts rates from the largest companies in the world, moving the corporate tax rate from 35 percent to 20 percent.

It creates loopholes for wealthy individuals to recharacterize their wage income as small business income so that they can pay less in taxes.

It repeals the alternative minimum tax, which captures the tax liabilities for wealthy individuals. In fact, the only tax return that we have ever seen of Mr. Trump was his 2005 tax return in which he had to pay $38 million. Why? Because of AMT.

And this tax bill will also permanently repeal the estate tax, which collects only $10 billion a year. And this tax bill will also permanently repeal the estate tax, which collects only $10 billion a year. And this tax bill will also permanently repeal the estate tax, which collects only $10 billion a year. And this tax bill will also permanently repeal the estate tax, which collects only $10 billion a year. And this tax bill will also permanently repeal the estate tax, which collects only $10 billion a year.
the lifetime learning credit. And it will also do away with deductions for families that pay for daycare and aging parents.

Mr. Speaker, this is not comprehensive tax reform. The American people deserve better, and we as a Congress can do better.

Please reject this bill.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. MESSER).

Mr. MESSER. Mr. Speaker, I thank Chairman BRADY for his leadership.

Today is a huge victory for working Americans. Today, we take a giant step forward to deliver more jobs, fairer taxes, and bigger paychecks for working Hoosiers. This bill will create thousands of jobs in Indiana, and it will give the typical working family a $1,500 tax cut.

The Trump tax plan also includes a provision that I authored to stop $4 billion to $7 billion in refundable child tax credits paid out to illegal immigrants each year. These savings help expand the child tax credit for working American families by $600 per child.

I urge all of my colleagues to support this plan. It will give working Hoosiers a pay raise, bring back jobs from overseas, and get our economy moving again.

I also urge the Senate to act and keep their promise to the American people.

Mr. NEAL. Mr. Speaker, I yield to the gentleman from Georgia (Mr. LEWIS) for the purpose of a unanimous consent request.

Mr. LEWIS of Georgia asked and was given permission to revise and extend his remarks.

Mr. LEWIS of Georgia. Mr. Speaker, I include in the RECORD an article about this bill’s impact on graduate students in my district.

[From the Atlanta Journal Constitution, Nov. 16, 2017]

OPINION: ONLY WEALTHY CAN AFFORD GRAD SCHOOL UNDER HOUSE TAX PLAN UP FOR VOTE TODAY

By Maureen Downey

Jenny C. Bledsoe is a fifth-year Ph.D. candidate in English at Emory University, specializing in medieval literature. She was featured in a New York Times story last week that examined how the GOP House tax plan would impact a range of American students. In this essay, Bledsoe focuses on the change that makes graduate tuition waivers taxable income.

The tax plan is expected to come to the House floor today where passage is predicted. The Senate, however, is not expected to take up its own tax bill until after Thanksgiving. And then House and Senate conferences will have to hammer out their differences and come up with a compromise plan.

Under the House plan, Bledsoe and other doctoral students would be hurt by a new provision that tax graduate students on tuition waivers granted them in exchange for working as teaching assistants or researchers. The tax accountants hired by The New York Times estimated Bledsoe and her husband would pay an additional $7,194 in taxes under the House tax bill.

When I about this last week, some readers contended the increase in the standard deduction would offset the eliminations of these education deductions. However, some reviewers found that not to be true for graduate students.

IMPACT OF GOP TAX PLAN ON STUDENTS

SCHOOL UNDER HOUSE TAX PLAN UP FOR VOTE TODAY

The House GOP tax bill makes graduate school inaccessible for anyone who is not independently wealthy, and it will likely cause current graduate students to drop out of doctoral programs and/or declare bankruptcy.

A single line in the 429-page bill effects this change: 26 U.S. tax code §117(d) allows graduate students on teaching or research fellowships to receive tuition waivers tax-free. Any stipends are taxed.

The House “Tax Cuts and Jobs Act,” however, will repeal this provision, meaning that a Ph.D. student making a stipend of $20,000 would be taxed as if they are making $85,300. This would have been my situation two years ago. During the first three years of Emory’s Ph.D. program, a student currently receives a tuition waiver amounting to $61,200. Once you reach “taxable status” after your third year, the annual tuition is $30,600.

Tax experts hired by The New York Times estimated that my husband’s and my tax bill would increase by $27,000, the increase in the standard deduction—because of the newly taxable tuition waiver.

Tuition amounts vary widely depending on the institution. This situation may be worse (or better) for some individuals, depending on tuition rates and stipend amounts. At Georgia Tech, full-time graduate students for one semester is $5,894 in-state and $14,284 out-of-state. Georgia State’s tuition is $4,680 in-state and $15,012 out-of-state for one semester.

Graduate students will clearly owe much larger federal income tax bills, and in some states, including Georgia, they will also have to pay more due to the proposed changes to the federal tax credit for state and local income taxes. Those at private colleges and universities will be responsible for larger taxable amounts (given the higher tuition at private institutions).

Those at public universities will pay the taxes on their relatively lower tuition waiver amounts, but they will have to do so with already significantly smaller stipends than Ph.D. students receive at private universities.

This is an issue across the disciplines. It will affect any graduate student pursuing a Ph.D. on a research or teaching fellowship, which common for those pursuing doctorates in STEM, the social sciences, and the humanities. In addition to graduate students suffering personally, universities will experience the effects of their graduate students’ tax burdens in multiple ways (in addition to the bill’s other deleterious effects on higher education).

Graduate students will have less time for research because they will have to work additional jobs. Humanities Ph.D. students, who provide essential labor as instructors, will have less time to devote to the classes they teach.

Long-term effects are difficult to measure, but surely many lower-income students will no longer attend. It’s unlikely that institutional support for graduate students will change. Academics fully to the so-called one percent, academia, industry, or government. The bill reduces other education tax credits, which will adversely affect access to undergraduate as well as graduate education. The GOP will effectively end class mobility, return the academy fully to the so-called one percent, and reduce charitable donations to universities by de-incentivizing itemized deductions.

Even if you don’t believe in the value of academic study, eliminating section 117(d) of the U.S. tax code would be bad for the economy. Those who were not independently wealthy and who chose to pursue graduate education would have to do so with the help of student loans. Student loans are with you forever; student loan debt is not forgiven even when bankruptcy is declared. Young Americans are already saddled with too much debt, causing many opinion pieces to complain about the latest store or product that “millennials have killed” by not spending enough money.

Eliminating this line of tax code effectively condemns those who pursue higher education to a life of professional career in academia, industry, or government. This is bad for our economy, our country, our world to progress with these barriers against access to education, an essential asset in our dynamic world?

Mr. LEWIS of Georgia. Mr. Speaker, also, I include in the RECORD letters of opposition from the ACLU, Baptist Joint Committee, and Americans United for Separation of Church and State.

ACLU,

Hon. Kevin Brady,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.

Hon. Richard Neal,
Ranking Member, Committee on Ways and Means,
House of Representatives, Washington, DC.

Dear Chairman Brady, Ranking Member Neal, and Members of the Committee on "Ways and Means:"

ACLU STRONGLY OPPOSES UNCONSTITUTIONAL RELIGIOUS FAVORITISM PROVISION IN H.R. 1

The American Civil Liberties Union (ACLU) is strongly opposes to Sec. 501 (ACLU) is strongly opposed to Sec. 5201 in H.R. 1, the so-called Tax Cuts and Jobs Act. This provision is designed—in violation of the Constitution—to give religious organizations special tax benefits and privileges that are unavailable to all other, non-religious 501(c)(3) organizations. Accordingly, we urge that this unconstitutional provision be removed from the bill.

Sec. 501 would allow a house of worship to enforce one or more candidates in all of its statements, programs, and teachings made during “religious services or gatherings.” While current law allows all tax-exempt nonprofit organizations, this provision would apply only to churches. The Establishment Clause of the First Amendment to the U.S. Constitution was designed to protect exactly this kind of religious favoritism. See, e.g., Texas Monthly v. Bullock, 489 U.S. 1 (1989) (striking down tax exemption that applied only to religious periodicals).

Sec. 5201 of the House bill’s program that distinguished between religious and nonreligious viewpoints)
Sec. 5201 includes a vague and undefined test that would open up houses of worship to extensive government entanglement. To determine whether a house of worship is complying with the law, the IRS would have to determine whether an endorsement (1) occurred during the "ordinary course" of the organization’s "regular and customary activities" in carrying out its "tax-exempt purposes"; (2) whether it amounted to a "de minimis incremental expense;" and (3) whether it took place during "religious services or gatherings." To determine whether a house of worship meets this test, the IRS would have to investigate the house of worship's books, activities, sermons, and correspondence. The IRS would also have to judge whether an event is "religious" and part of a house of worship's "exempt purpose." By inviting this type of invasive government scrutiny of church documents and judgment about religion, this provision actually threatens, rather than upholds, the autonomy and independence of houses of worship.

Churches and religious leaders are already able to exercise their free speech—free from fear of sanction by the IRS—by speaking out on political issues. Churches are also completely free to support or endorse political candidates as private citizens. As an organization deeply committed since 1950 to ensuring that religious mission is not a divorcement of politics from houses of worship. For more than 60 years, the ACLU strongly opposes Sec. 5201 unavailability to all other 501(c)(3) organizations, receive a tax deduction for their campaigns infringes on those free speech rights. We joined with more than 100 other religious and denominational organizations in a letter to Congress, originally sent the day after the April 16 U.S. Supreme Court decision, saying we "strongly oppose any effort to weaken or eliminate protections in the law that prohibit 501(c)(3) organizations, including houses of worship, from endorsing or opposing political candidates." The full letter is attached to my testimony.

In 2002, the House voted down legislation offered by Rep. Walter Jones, called the Houses of Worship Political Speech Protection Act (H.R. 2397). The BJCR co-led the coalition of religious groups opposing that legislation, which failed by a House vote of 178–239. We continue to think there is no reason the IRS needs to reframe from religious campaigns in exchange for receiving that most-favored tax status. The prohibition has allowed charitable organizations, including our houses of worship, to concentrate on their exempt purposes and not be distracted or co-opted by partisan campaigns.

Current law strikes the right balance in protecting the integrity and independence of our religious sector. The tax law prohibition is not a divorcement of politics from houses of worship. Many churches feel that they are called to "political" and to "speak truth to power" on a variety of social issues, and nothing in the tax law prevents pastors from speaking out from the pulpit on the issues, no matter how controversial.

Houses of worship can encourage voting, engage in voter registration and related activities and civic engagement, speak out in non-campaign contexts, and host candidate forums, distribute nonpartisan educational materials, and invite all candidates for an office to speak during a worship service.

Pastors and other leaders can endorse and oppose candidates in their personal capacities and without using the resources of the church. Whether and how openly they want to do this is a personal decision. Pastors know that their reputations will rise and fall with individuals they endorse and therefore may be reluctant to publicly endorse and oppose candidates. They also consider the impact their endorsements will have in their spiritual communities, particularly with those who may support another candidate.

But what is not permitted—and what most clergy and churchgoers don’t want in any event—is for the tax-exempt 501(c)(3) entity to endorse or oppose candidates. Polling consistently shows that large majorities—70 or 80 percent depending on the poll—oppose candidate endorsements in church. And when just clergy are asked, the numbers are more like 90 percent, including among evangelical pastors.

These numbers are not surprising given the negative effects endorsements would have on houses of worship. Pastors and churchgoers I talk with think this would be a terrible idea for their congregations, dividing what are otherwise rather politically diverse communities and distracting them from their religious mission. Congregants also choose to support their faith communities for reasons other than hearing a political ad. There are plenty of places in our culture today to engage in partisan electoral campaigns. Most notably, I know we don’t want church to be one of those places.

We also recognize the powerful prophetic voice with which the church speaks to power. That voice is threatened whenever the church associates itself too closely with the government or its officials.

Creating an exemption for houses of worship would expose churches to political pressure to endorse candidates during primaries and elections at all political levels, as the allowing political campaign involvement applies not only to presidential and congressional elections but to every state and local race, too. Many candidates and donors supporting candidates would have a strong incentive to pressure on churches involved in their campaigns, particularly given the highly-valued tax status churches enjoy.

Donors to churches, like all other 501(c)(3) organizations, receive a tax deduction for their contributions. Churches would receive automatic 501(c)(3) status and are not required to file the Form 990 information return. Combining tax deductibility with these powerful accommodations, churches would make houses of worship particularly vulnerable targets for partisan campaign activity by political donors and others seeking to influence local, state, and national elections.

The legislative "solution" that has been put forward would threaten great harm to houses of worship. This bill injects a new subjective standard for the IRS to enforce, allowing political campaign involvement if it is "in the ordinary course of the organization's regular and customary activities in carrying out its exempt purpose, and results in the organization incurring not more than de minimis incremental expense." What does "ordinary course" mean? What is the organization’s "regular and customary activities" in carrying out its exempt purpose? What is "de minimis" compared to the organization’s total budget? What is "incremental"? These are all line-drawing questions that would fall on the IRS, which would have a mandate to enforce this new standard with limited resources and with likely much more activity in this area, given the new permissible standard and political pressure to be involved. We would either see lack of enforcement, rendering the statutory limitations meaningless, or we would see troubling entanglement of the IRS in a church’s affairs. Neither outcome would be an improvement on our current system.

Jesus taught us to render unto Caesar what is Caesar’s and to God what is God’s. Permitting tax-exempt churches to endorse candidates in a "sermon . . . or other presentation" during their "services or gatherings" threatens to fundamentally alter the very nature of and esteem for our religious sector. This approach does not bode well for religion or religious liberty.

Respectfully,

AMANDA TYLER,
Executive Director,
Baptist Joint Committee for Religious Liberty.
Hon. MITCH MCCONNELL, RANKING MEMBER NEAL, AND RANKING MEMBER PAUL RYAN, Senate Majority Leader, Washington, DC.

Hon. KEVIN BRADY, Chairman, House Ways and Means Committee, Washington, DC.

Hon. RICHARD NEAL, Ranking Member, House Ways and Means Committee, Washington, DC.

Hon. RON WYDEN, Ranking Member, Senate Committee on Finance, Washington, DC.

DEAR SPEAKERS RYAN, MAJORITY LEADER MCCONNELL, LEADER PELOSI, LEADER SCHUMER, CHAIRMAN BRADY, CHAIRMAN HATCHETT, RANKING MEMBER NEAL, AND RANKING MEMBER WYDEN: We, the 103 undesignated religious and denominational organizations strongly oppose any effort to weaken or eliminate protections that restrict the political activities of 501(c)(3) organizations, including houses of worship, from endorsing or opposing political candidates. Current law serves as a valuable safeguard for the integrity of our charitable sector and campaign finance system.

Religious leaders often use their pulpits to address the moral and political issues of the day. They also can, in their personal capacities and without the resources of their houses of worship, endorse and oppose political candidates. The current protections of worship can engage in public debate on any issue, host candidate forums, engage in voter registration drives, encourage people to vote, help transport people to the polls and even, with a few boundaries, lobby on specific legislation and invite candidates to speak. Tax-exempt houses of worship may not, however, endorse or oppose candidates or use their tax-exempt donations to contribute to candidates’ campaigns. Current law simply limits groups from using their charitable ministry and a partisan political entity.

As religious organizations, we oppose any attempt to weaken the current protections offered by the 501(c)(3) campaign intervention prohibition because:

People of faith do not want partisan political candidates leading their houses of worship. Houses of worship are spaces for members of religious communities to come together, not be divided along political lines; faith ought to be a source of connection and community, not division and discord. Indeed, the vast majority of Americans do not want houses of worship to issue political endorsements. Particulars in today’s political climate, such endorsements would be highly divisive and would have a detrimental impact on civil society.

Current law protects the integrity of houses of worship. If houses of worship endorse candidates, their ability to speak truth to power as political outsiders, is threatened. The credibility and integrity of congregations would suffer with bad decisions of candidates they endorsed. Tying America’s houses of worship to partisan activity demeans the institutions from which so many believers expect unimpeachable decency.

Current law protects the independence of houses of worship. Houses of worship often speak out on issues of justice and caring, and do good works within the community but may also labor to adequately fund their work.

Houses of worship to issue political endorsements, including houses of worship, from endorsing or opposing political candidates. The current protections of worship can engage in public debate on any issue, host candidate forums, engage in voter registration drives, encourage people to vote, help transport people to the polls and even, with a few boundaries, lobby on specific legislation and invite candidates to speak. Tax-exempt houses of worship may not, however, endorse or oppose candidates or use their tax-exempt donations to contribute to candidates’ campaigns. Current law simply limits groups from using their charitable ministry and a partisan political entity.

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Current law protects the independence of houses of worship. Houses of worship often speak out on issues of justice and caring, and do good works within the community but may also labor to adequately fund their work. Permitting electioneering in churches would give partisan groups incentives to use congregations as a conduit for political activity and expenditures. Changing the law would be irreparable to the bonds of faith between individuals and corporations who could offer large donations or a politician promising social or political service college for taking a position on a candidate. Even proposals that would permit an “insubstantial” standard or allow limited electioneering only if it is in furthering the organization’s mission would actually invite increased government intrusion, scrutiny, and oversight.

The charitable and religious houses of worship, should not become another cog in a political machine or another loophole in campaign finance laws. We strongly urge you to oppose any attempt to weaken protections in the law for 501(c)(3) organizations, including houses of worship.

Sincerely,

Hon. MITCH MCCONNELL, RANKING MEMBER NEAL, AND RANKING MEMBER PAUL RYAN, Senate Majority Leader, Washington, DC.

Hon. KEVIN BRADY, Chairman, House Ways and Means Committee, Washington, DC.

Hon. RICHARD NEAL, Ranking Member, House Ways and Means Committee, Washington, DC.

Hon. RON WYDEN, Ranking Member, Senate Committee on Finance, Washington, DC.

DEAR CHAIRMAN BRADY AND RANKING MEMBER NEAL: On behalf of Americans United for Separation of Church and State, we urge you to fully oppose Section 5201, to weaken or repeal the Johnson Amendment. This provision would exempt houses of worship from the Johnson Amendment, which is the six-decades-old law that ensures tax-exempt organizations—including houses of worship, charitable nonprofits, and foundations—do not endorse or oppose political candidates. We join 103 religious and denomination organizations, more than 4,200 faith leaders, and 5,500 nonprofits organizations, in urging Members of Congress to reject efforts, like the one in Section 5201, to weaken or repeal the Johnson Amendment.

Tax-exempt charities and houses of worship are granted special 501(c)(3) tax-exempt status because they work for the common good, not so they can support political candidates. Current law protects their right to speak out about political and social issues without the fear of being alienated from their political colleagues. Tax-exempt houses of worship and the faith leaders who represent them can speak to any issue or piece of legislation they choose. And faith leaders can endorse candidates in their personal capacity.

Exempting houses of worship from the law would threaten their independence and integrity and open them up to pressure from political candidates, donors, and congregants who want to use them for their own political gain. Furthermore, Section 5201 singles out houses of worship for special treatment, violating the Constitution.

SECTION 5201 EXEMPTS HOUSES OF WORSHIP FROM THE JOHNSON AMENDMENT

Section 5201 allows houses of worship to endorse candidates so long the endorsement...
is made during a religious service or gathering, is made in the ordinary course of their tax-exempt purpose, and does not incur more than a de minimis incremental expense. This would in effect, exempt houses of worship from the Johnson Amendment.

The impact of even just one endorsement from a house of worship would be powerful and could have a significant impact on an election. A pastor’s opinion permits far more than merely a lone statement of support. Section 5201, for example, would allow:

A pastor to preach a sermon endorsing one or more candidates.

A church to post a video of that sermon on its website, email it to parishioners, and distribute it publicly on social media.

A Rabbi to endorse a candidate during the welcoming message provided to those attending her synagogue’s community service event.

A church that is motivated by faith to provide social services to its community to tell each and every person who attends its meetings to vote for a particular candidate. If such activities were allowed, the Johnson Amendment would be rendered meaningless and lose its purpose. The very purpose of the Johnson Amendment—to prevent government subsidized partisan campaign activity—would be allowed in every church and house of worship across the country.

SECTION 5201 WOULD REQUIRE THE IRS TO LOOK INTO THE INTERNAL WORKINGS OF HOUSES OF WORSHIP AND MAKE POLITICAL JUDGMENTS

The Johnson Amendment includes a clear rule: tax-exempt organizations, including houses of worship, cannot endorse candidates. This bill includes a vague and undefined test that is subject to IRS discretion. Enforcing the law would entangle the IRS in internal church governance and require it to make judgments about religion.

Section 5201 calls on the IRS to determine whether an endorsement (1) occurred during the “regular and customary activities” in carrying out its “tax-exempt purpose,” (2) whether it amounted to a “de minimis increment expense,” and (3) whether it took place during “religious services or gatherings.” To determine whether the cost of any endorsement was a “de minimis increment expense,” the IRS would, not only have to define de minimis, but also have to investigate the house of worship’s books. And to determine whether the endorsement was part of the “regular and customary activities,” the IRS would have to examine the institution’s history of activities. The IRS would also have to judge whether an event is “religious” or not and whether the activity serves the organization’s “exempt purpose.” By inviting that type of scrutiny of church documents and activities, and judgments about fines actually the deciding, rather than upholds, the autonomy and independence of houses of worship.

EXEMPT ONLY HOUSES OF WORSHIP FROM THE JOHNSON AMENDMENT WOULD VIOLATE THE CONSTITUTION

Under the religious freedom protections provided by the First Amendment to the U.S. Constitution, the government cannot prefer or favor religion or non-religion. The Johnson Amendment applies to all 501(c)(3) tax-exempt organizations, yet Section 5201 exempts only houses of worship from the restrictions of the Johnson Amendment. This special treatment raises serious concerns under the Establishment Clause of the First Amendment and undermines religious freedom.

CONCLUSION

For all the above reasons, we urge you to oppose the language effective repealing the Johnson Amendment for houses of worship.

Sincerely,

MAEGHAN GARRETT
Legislative Director, Americans United for Separation of Church and State.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. YARMUTH), the ranking member of the Budget Committee, and one of the most knowledgeable Members of the House.

Mr. YARMUTH. Mr. Speaker, I appreciate my friend yielding time.

Mr. Speaker, this is a horror show today, this is a horror show debate, and this is a horror show process, but it is a disaster for the American people. The tax bill we are debating today will abandon millions of American families. It showers the wealthy and corporations with massive tax cuts, and it adds $1.5 trillion to our deficits. The top 1 percent will pass an estimated $1 trillion in tax cuts, offset by $3.9 trillion in fines and fees.

But millions don’t even get that. In fact, 36 million middle class families will pay more in taxes because of this bill. Our Republican colleagues will be taking money out of the pockets of these families to give more tax cuts to the rich.

But it doesn’t stop there. It never does. This is part of a dangerous three-step process that we have seen, unfortunately, far too often:

The first step, Republicans enact massive tax cuts for the rich, claiming they generate American growth to pay for themselves. I know my Republican colleagues desperately want the American people to believe that this is what will happen. But the record is clear. It failed in the 1980s, and it failed in the 2000s. It was an epic failure in Kansas.

This is about politics, not reality, for them, which brings us to step two. Once these cuts fail to produce the growth that they promise, Republicans will shriek about the impeding doom of high deficits and debt. Then they will quickly move to step three, demanding cuts in vital programs that benefit working families throughout our country.

We have seen this act before. As I said before, it is a horror show. There is a reason why a lot of people are looking at this and saying this is the great tax scam of 2017—because it is the great tax scam of 2017.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. Rice), one of the key leaders of the Ways and Means Committee.

Mr. RICE of South Carolina. Mr. Speaker, the American Dream is what separates us from the rest of the world. It promises that, with hard work and determination, you can improve your station in life and that your children have an opportunity for a better life than yours. But for many in the generation coming of age in the last decade, the American Dream has been a little tarnished and just out of reach.

The last time we did tax reform was 30 years ago. At that time, we were the world’s uncontested economic leader. Our economic system and Tax Code were competitive. But for decades, we have sat by as the world passed us by. In 1990, the middle class made up about 50 percent of American families; today, only 40 percent. Today, the middle class makes just about the same take-home pay as it did in 1990.

When we all worry about income disparity and the gulf between the rich and the poor in this country, this is the source of the problem. The American middle class is smaller and has not had a raise in 30 years.

How could this happen? It has everything to do with a bloated, overregulating, and overtaxing Federal Government, a government that sucks the life out of the economy and forces our companies, our innovators, our creators, our job creators out of our country to survive.

Some folks say it doesn’t matter that we have the highest business tax rate in the world. That is not why our companies left. They say those jobs aren’t coming back.

Well, I say the outdated Tax Code is an anchor around the neck of our businesses, our innovators, and the American middle class. I say the American middle class can compete with anyone on a level playing field if we just get government off their back.

Since January, we have been working to correct that. We have made dramatic steps in reducing regulation. You can already see the economic lift. Today, we undertake a tax cut, which will restore economic growth, put more take-home pay into the pockets of hardworking Americans, and restore opportunity for a generation of Americans. It will bring American jobs back to America, which will grow our middle class, and, after 30 years, our middle class will get the pay raise it deserves.

If you really wish to grow our economy, you should vote for this bill.

If you really wish to give the middle class a pay raise, you should vote for this bill.

If you really wish to reduce income disparity, you should vote for this bill.

If you really wish to give hope to Americans who have given up and left the workforce and wish to reduce crime and addiction in this country, you should vote for this bill.

If you want America to have the economic strength to remain a force of peace and stability in the world, you should vote for this bill.

And, finally, if you truly believe what Thomas Jefferson said 240 years ago, that all men are created equal and that they are entitled to pursue their own happiness, you should vote for this bill.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico (Mr. BEN RAY LUJAN).
Mr. BEN RAY LUJÁN of New Mexico. Mr. Speaker, this bill put forward by congressional Republicans isn’t a tax plan; it is a tax scam.

Republicans are going to borrow money on the backs of working families to give a tax cut to corporations in the top 1 percent. This will increase taxes on the middle class. This will add to our Nation’s debt and pass the bill to our children.

This Republican tax scam hurts seniors and families with long-term medical needs by eliminating the medical expense deduction that 9 million Americans, and nearly 120,000 people in my home State of New Mexico, depend upon.

Destroying the medical expense deduction delivers a staggering blow to New Mexico families. Listen to this story sent to me by Lisa, a constituent of mine from northern New Mexico: ‘’My husband and I are lifelong native New Mexicans who grew up here, went to college here, and have opened and operate our two businesses in our home State. We are the proud parents of two wonderful children. New Mexico’s our home, we’re proud to live here, contribute to our State’s economy, and realize our version of the American Dream.

‘’Like most families today, life isn’t always easy. The kids and I have medical complex conditions which require expensive medications, and my husband and I struggle with student loan debt, housing and transportation costs, and making a good life for our family. We incur $5,000 to $7,000 in out-of-pocket medical costs each year. Without the medical expense deductions, I am not sure we could continue to meet the demands of raising healthy, happy children while keeping our businesses going and growing.

‘’For us, this deduction is a lifeline, and the thought of losing that lifeline means we could drown in debt. That’s why I urge my colleagues to take advantage of this very historic opportunity and vote in favor of the Tax Cuts and Jobs Act.

Mr. Speaker, I thank the chairman for allowing me to represent the views of my constituents throughout the process of this bill’s work. I urge my colleagues to take advantage of this very historic opportunity and vote in favor of the Tax Cuts and Jobs Act.

Mr. Speaker, I rise today in opposition to H.R. 1, or better known as the GOP tax scam.

This bill provides tax cuts for corporations and multimillionaires at the expense of hardworking middle class families. Massive corporate tax cuts do not guarantee job growth or higher wages. The only thing guaranteed is the $2.3 trillion that this scam adds to the deficit.

Democrats are serious about passing comprehensive tax reform that is fair and that puts a little more money in the pockets of working Americans. This fiasco of a bill is not fair.

Corporations get massive 15 percent tax cuts, but what do working families get? They get nicklede and dined.

Despite student loan debts surpassing $1 trillion, this bill eliminates the student loan interest deduction, which without this bill would allow 40 million middle-income households and large corporations.

And this bill would actually raise taxes for some low- and moderate-income households, while making it harder for states to fund healthcare, education, infrastructure and other investments. History has shown us that these types of tax breaks never ‘trickle down’ to working people and will result in cuts to healthcare, education and other programs our communities depend on. If passed, this legislation would give millionaires and corporations a reason to celebrate but would hurt working Americans who are trying put food on the table, start their first businesses, send their children to college, or save for their retirement and homes.

For these reasons, SEIU urges you to oppose H.R. 1 and instead, work in a bi-partisan manner to ensure a tax code that works for them, not corporations and multimillionaires at the top 1 percent.

Mr. Speaker, let’s do the right thing today and put hardworking families on the playing field for small businesses in my district in north Texas around the DFW Airport, giving them an opportunity to grow and hire more people and spend more money in our economy, and allow the hardworking taxpayers whom I represent to keep more of their paycheck and increase their family’s budget.

Mr. Speaker, I thank the chairman for allowing me to represent the views of my constituents throughout the process of this bill’s work. I urge my colleagues to take advantage of this very historic opportunity and vote in favor of the Tax Cuts and Jobs Act.

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For these reasons, SEIU urges you to oppose H.R. 1 and instead, work in a bi-partisan manner to ensure a tax code that works for them, not corporations and multimillionaires at the top 1 percent.
and transparent manner on policies that will improve the lives of working families. If you have any questions, please contact John Foti.

Sincerely,

JOHN GRAY,
Legislative Director.

AFL-CIO.


DEAR REPRESENTATIVE: On behalf of the AFL-CIO, I urge you to oppose the Tax Cuts and Jobs Act (H.R. 1). H.R. 1 is not a “jobs bill,” it is a job killer that gives huge tax breaks to companies that outsource jobs. It is also a threat to the future of our families, our communities, and our country.

According to the Joint Committee on Taxation (JCT), 45% of the tax benefits would ultimately go to households making over $500,000 per year; 5% of the tax benefits would go to households making over $1 million; and the top 1% one percent would get an average annual tax cut of $61,728. By contrast, households making between $20,000 and $40,000 would actually pay more in taxes.

H.R. 1 would hurt working people in many ways. It would eliminate the deduction for state and local sales taxes; reduce the deduction for state and local income taxes; raise the alternative minimum tax on families, and make sure that our Main Streets and small businesses are strong in America.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. MCHenry), our chief deputy whip.

Mr. MCHenry. Mr. Speaker, I thank the chairman of the Ways and Means Committee for his hard work and effort, his staff’s effort, and his committee members’ effort to put this great bill on the floor today.

The Tax Cuts and Jobs Act is a vitally important bill. This will help all Americans’ lives for the better. The name fits for this bill as well. It truly is a tax cut for American working families, and it creates good-paying jobs.

The House has invested over 3 years of hard work here in the House of Representatives. It has been clear for years that our Tax Code is broken. We all agree on that. Simply put, it does not work for the vast majority of the American people.

What we do is simplify the Tax Code. More Americans will be able to take a standard deduction, file on a postcard their tax return, simplifying the process. Importantly, it makes us more competitive internationally. We don’t lose jobs to overseas companies. That makes us stronger as a nation.

At the same time, it helps small businesses compete with those large businesses, with those global businesses, and makes sure that our Main Streets are strong in America.

This is a very good bill. It is a very good bill, well contemplated, and will have a great impact on working families.

The bill helps families in my district in particular. The Tax Foundation says that average middle class families in my district in western North Carolina are going to see a $2,400 increase in their take-home pay. That is real money for working Americans. It is real money for North Carolinians as well.

The bill also helps small businesses by reducing their tax rates and allowing them to create more good-paying jobs. We need that. Small businesses are the lifeline of western North Carolina’s communities. We need them strengthened.

The same Tax Foundation study estimates that this bill will create nearly 90,000 new jobs nationwide, including more than 30,000 in North Carolina alone.

Now, there is a great debate in this body about the approach we took on this bill. There is a fundamental disagreement between the two parties here.

My colleagues on the left want more power, more expenditures from government, and want to take more from the American people in order to pay for this.

We believe, on the Republican side of the aisle, that American families should be able to keep more of what they earn, make more decisions for themselves, empower communities, empower small businesses, make us more competitive and make us stronger.

I urge my colleagues to vote for this bill, to send a strong message that we in the House of Representatives have a tax package for the American people. I look forward to getting this bill signed into law before Christmas.

Mr. NEAL. Mr. Speaker, I yield the balance of my time to the gentleman from Connecticut (Mr. LARSON), and I ask unanimous consent that he may have 1 minute.

Mr. LARSON of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. CROWLEY), the chairman of the Democratic Caucus and a great leader on the Ways and Means Committee.

Mr. CROWLEY. Mr. Speaker, I thank the gentleman for yielding me this time.

I have to give it to Speaker RYAN and to President Trump and all of my Republican colleagues. I have to give it to Speaker RYAN and to President Trump and all of my Republican colleagues. They said earlier this year they would cut taxes for corporate special interests, and today they are following through on that promise.

The problem is, in order to do it, they are raising taxes on middle class families. Don’t take my word for it. Listen to them.

The Republicans started this process by saying that every American, everyone in America, will get a tax cut. Now they are saying, on average, people will get a tax cut, and even that is incorrect.

It is time to be honest with the American people. What we have before
us today isn’t a bill, it is a scam—a scam that will hurt homeowners in Irvine, California, in Mrs. WALTERS’ district; a scam that will hurt seniors in Lancaster, New York, in Congressman CHRISS COLLINS’ district; a scam that will hurt veterans in Barrington, Illinois, in PETE ROSKAM’s district; and a scam that will absolutely hurt the middle class in every congressional district in our country, 36 million people to be exact.

In my district, a quarter of all homeowners will lose the ability to deduct their taxes, but corporate special interests, they can still deduct their taxes under the GOP plan.

Mr. Speaker. 20,000 students in Queens and the Bronx, in my district, will lose one of the most effective ways to pay down their student loan debt. That is right. Republicans are eliminating the ability to deduct the interest on student loan payments.

This scam eliminates the assistance for small businesses to hire veterans here at home, but it continues the tax breaks for American jobs overseas. Yes, you heard that correctly. Republicans and President Trump are doling out tax breaks for companies to move overseas but will take away benefits to hire American veterans right here at home.

These aren’t the values of my constituents, but, apparently, they are the values of Speaker RYAN, President Trump, and the entire congressional Republican caucus.

So how did we end up here? It is because when the Republicans sat down to write this bill, they didn’t have the average American in mind. They had their wealthy donors and corporate friends in mind. Republicans started the tax reform with this question: How do we get the corporate rate down? Democrats would have started with the question: How do we raise up the middle class?

Republicans wrote a bill, a tax scam, that benefits people who own second and third homes, but they left behind average American homeowners. They left behind teachers, who use their own money to buy school supplies. They left average Americans behind, because they never had you in mind to begin with.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LARSON of Connecticut. Mr. Speaker, I yield 1 minute to the gentleman from Texas in a colloquy.

According to the nonpartisan Congressional Budget Office, this GOP tax scam will add $1.5 trillion to the deficit over the next 10 years and trigger massive funding cuts across the government next year. Medicare will see a $25 billion-per-year cut.

Mr. HARRIS of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HARRIS).

Middle-income families struggling to pay costly medical bills will pay more because the GOP scam shamefully eliminates that deductibility. This includes 9 million American families, and nearly 140,000 live in South Carolina.

Middle-income families with children in daycare, nursery school, or aging parents will pay more because the GOP scam eliminates the deductions for dependent care assistance.

This scam eliminates the assistance for first-time homeowners who utilize the standard deduction. It will eliminate the deductions for second- and third homes, but it left behind teachers, who use their own money to buy school supplies for their classrooms.

Mr. Speaker, H.R. 1 is an attack on middle-income families. It will subject the good people of this country to a second Great Recession and raise taxes on 36 million middle-income households.

According to the nonpartisan Congressional Budget Office, this GOP tax scam will add $1.5 trillion to the deficit over the next 10 years and trigger massive funding cuts across the government next year. Medicare will see a $25 billion-per-year cut.

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, I wish to engage the gentleman from Texas in a colloquy.

We should not be satisfied with the historically low economic growth rates of the past decade. This tax reform bill that creates jobs, increases paychecks, grows our economy, and increases American competitiveness can help Maryland families and businesses.

Mr. LARSON of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. CLYBURN), the son of a preacher man, who always speaks truth to power.

Mr. CLYBURN. Mr. Speaker, I thank Mr. LARSON for yielding this time. Mr. Speaker, the bill before us today is a wolf in sheep’s clothing. Republicans can dress it up and call it good names, but that will not change the fact that H.R. 1 is a scam that will be perpetrated on America’s middle-income families.

This bill will make it harder to own a home, raise a family, and afford a postsecondary education.

It should come as no surprise that President Trump wants to call the bill: “Cut, Cut, Cut.” That would have been apropos. The first cut is for him and his family, the second cut is for his wealthy friends, and the third cut is for large corporations and businesses that ship jobs overseas.

H.R. 1 certainly does not cut taxes for middle-income families or small businesses; in fact, it does just the opposite.

Under H.R. 1, millions of Americans, middle-class families, will pay more than 500,000 of whom live in South Carolina. Middle-income families and first-time homeowners who utilize mortgage interest deductions will pay more, because the GOP scam lowers the cap, making homeownership more expensive and driving down property taxes for current homeowners.

Middle-income families with children in college or recent graduates will pay more, because the GOP scam eliminates the deductions for interest on student loans. This includes 12 million American families, 156,000 of whom are South Carolinians.

Mr. HARRIS. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HARRIS).

Mr. BRADY of Texas. Mr. Speaker, I thank the gentleman from Maryland for yielding.

The intent of our tax reform bill is to achieve tax relief for individuals at every income level in every State.

I agree with the gentleman, there are still some areas where we will and can
make improvements. If the gentleman is willing to help us continue to move this process forward today, I am happy to commit to working with him to ensure we reach a positive outcome for his constituents to reconcile our differences with the Senate.

Mr. HARRIS. Mr. Speaker, I thank the chairman for agreeing to work with me on this as we move forward. I will be voting for this bill today, and I urge my colleagues to vote for this bill to increase American competitiveness.

Mr. ENGEL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL), the lead Democrat on the Foreign Affairs Committee who understands the impact of double taxation from a donor State.

Mr. ENGEL. Mr. Speaker, someone near and dear to me often said that the Republican Party is the party of rich men and women, and the Democratic Party is the party of working men and women. Nothing proves more than this tax scam today.

I have been around here a long time. Of all the bills I have seen, this is one of the worst bills I have ever seen on the floor of this House. It is actually a disaster. It taxes the middle class and on millions of families across America. It adds trillions to the debt to give tax cuts to America’s wealthy families and corporations while stripping credits and deductions from middle-class families.

What has happened to the fiscal responsibility of the Republican Party?

This budget ransacks Medicare and Medicaid of $1.5 trillion, and the GOP will use the new deficits to justify further devastating Medicare and Medicaid.

Finally, it is a terrible disaster for my New York constituents who already pay their fair share of taxes. New York is a donor State, meaning that we pay more than our fair share of taxes. New York is near and dear to me once said that the Republican Party is the party of rich men and women.

Mr. Speaker, I include in the Record a sample of tele-townhall survey questions and answers.

TAX TELE-TOWNHALL SURVEY QUESTIONS AND ANSWERS

(1) Do you agree that a tax bill should cut tax at the expense of Medicaid and Medicare? 95 percent said no.
(2) The current tax reform bill will eliminate the tax deduction for student loan interest and the lifetime learning credit. Do you support the elimination of these tax credits? 91 percent opposed.
(3) The current tax code allows homeowners to deduct interest on mortgages. Would you support a tax plan that includes a reduction in the mortgage interest deduction for first-time home buyers? 95 percent said no.

Ms. JACKSON LEE. Mr. Speaker, this plan will show no growth. The neutral tax policy entity said you will get no growth, no growth in wages, and you will send jobs overseas in waves.

It is a tax scam and it is an American nightmare. Vote against this tax scam.

Mr. Speaker, as a member of the Budget Committee, I rise in strong and unyielding opposition to H.R. 1, the so-called “Tax Cut and Jobs Act,” which more accurately should be called the “Republican Tax Scam Act.”

I oppose this cruel and immoral $1.7 trillion tax giveaway to wealth corporations and the top one percent because it raises taxes on poor, working, and middle-class families; eliminates the deficit by adding an additional $2.2 trillion over ten years; and will require an estimated $5.4 trillion cut in funding for the programs ordinary Americans depend on for health security, educational opportunity, and economic progress.

Mr. Speaker, Americans are not fooled; they know trickle-down economics has never worked, and they see right through this phony tax plan and recognize it for the scam that it is.

That is why Americans reject this Republican tax giveaway by an overwhelming 2:1 margin according to a poll released yesterday by Quinnipiac.

Specifically, 61 percent think the Republican tax scam will benefit the wealthy the most; only 16 percent say the plan will reduce their taxes.

59 percent think it is a very bad idea to eliminate the deduction for state and local income taxes.

Nearly half of respondents (40 percent) think it is a bad idea to lower the corporate tax rate from 35 percent to 20 percent.

This Republican tax plan is more toxic to my constituents in the Eighteenth Congressional District of Texas.

Mr. Speaker, as you may know, my constituents and others in Texas are still struggling to recover from the devastation caused by Hurricane Harvey, the worst storm ever to make landfall in the continental United States.

Yet last evening, nearly 8,000 of them took time out of their busy schedules to join me in a tele-townhall to discuss the tax scheme that has been rushed to the floor for a vote by the Republican leadership in the hope of passing it before the American people learn its insidious consequences.

But I have got news for them: too late.

My constituents understand and let me know that they believe it is important that the United States has a tax system that is fair, balanced, smart, and provides the resources and opportunities to allow all Americans to reach their potential.

And by margins exceeding 90 percent, they reject:
1. Any cuts to Medicare or Medicaid to finance tax cuts for wealthy corporations and the top 1 percent;
2. Eliminating the mortgage interest deduction;
3. Eliminating the deductibility of state and local taxes;
4. Eliminating existing deductions for student loan interest or making taxable college endowment funds or college fellowships expenses.

Mr. Speaker, my constituents, and Americans across the country, oppose this unfair Republican tax giveaway because nearly half of the $1.7 trillion tax cut goes to just the top one percent.

In fact, the average annual tax cut for the top one-tenth of one percent is $320,000; for the top one percent it is $62,000, and for those earning $1 million a year it is $68,000.

Nearly 25 percent of the tax cut goes to households in just the top one-tenth of one percent, who make at least $5 million a year (2027).

While the super-wealthy corporations and individuals are reaping windfalls, millions of middle-class and working families will see their taxes go up:
1. 13 million households face a tax increase next year.
2. 29 million households face a tax increase in 2027.
3. 29 million households (21 percent) earning less than $100,000 a year see a tax increase.
4. On average, families earning up to $86,000 annually would see a $794 increase in their tax liability, a significant burden on families struggling to afford child care and balance their checkbook.

It is shocking, but not surprising, that under this Republican tax scam, the total value of tax cuts for just the top one percent is more than the entire tax cut for the lower 95 percent of earners.

Put another way, those earning more than $912,000 a year will get more in tax cuts than 16 million households combined.

The core of this Republican tax scheme is a massive tax cut from 35 percent to 20 percent for corporations, but that is not the only way that the wealthy are rewarded.

The massive tax cuts for corporations are permanent but temporary for working and middle-class families.

Another immoral aspect of this terrible tax scam is that it abandons families that face natural disasters or high medical costs by repealing deductions for casualty losses and medical expenses.

Mr. Speaker, in what universe does it make any sense to eliminate, as this bill would, a deduction for:
1. Teachers who purchase supplies for their classroom; 2. Moving expenses to take a new job and taxes employer-provided moving expenses; or 3. Dependent care assistance, making it harder for families to afford day care, nursery school, or care for aging parents.

This Republican tax scam jeopardizes American innovation and competitiveness by eliminating the deduction for student loan interest, which affects 12 million borrowers, and cuts the education assistance by more than $64 billion.

Under the extraordinary leadership of President Obama and the determined efforts of ordinary Americans, we pulled our way out from under the worst of the foreclosure crisis when the housing bubble burst in 2007.

Inexplicably, Republicans are now championing a tax scheme that will make the homes of average Americans less valuable because deductions for mortgage interest and property taxes are much less valuable than under current law.

A tax plan that reduces home values, as this one does, puts pressure on states and towns to collect revenues they depend on to fund schools, roads, and vital public resources.

Mr. Speaker, an estimated 2.8 million Texas households deduct state and local taxes with an average deduction of $7,823 in 2015. But this is not the end of the bad news that will be delivered were this tax scam to become law, not by a long shot.

The proposed elimination of the personal exemption will harm millions of Texans by taking away the $4,050 deduction for each taxpayer and claimed dependent; in 2015, roughly 9.3 million dependent exemptions were claimed in the Lone Star State.

Equally terrible is that this Republican tax scam drastically reduces the Earned Income Tax Credit, which encourages work for 2.7 million low-income individuals in Texas, helping them make ends meet with an average credit of $2,689.

The EITC and the Child Tax Credit lift about 1.2 million Texans, including 663,000 children, out of poverty each year.

So to achieve their goal of giving more and more to the haves and the ‘have mores,’ our Republican friends are willing to betray seniors, children, the most vulnerable and needy, and working and middle-class families.

The $5.4 trillion cuts in program investments that will be required to pay for this tax giveaway to wealthy corporations and individuals will fall most heavily on low-income families, students struggling to afford college, seniors, and persons with disabilities.

America will not be made great by financing a $1.7 trillion tax cut for the rich by stealing $1.8 trillion from Medicare and Medicaid, abandoning seniors and families in need, depriving students of realizing a dream to attend college without drowning in debt, or disinvesting in the working families.

America will not be positioned to compete and win in the global, interconnected, and digital economy by slashing funding for scientific research, the arts and humanities, job retraining, and clean energy just to pay for a tax cut for the rich who pay for themselves despite all precedent to the contrary and evidence that their tax scheme is projected by experts to lose between $3 trillion and $7 trillion.

Mr. Speaker, in evaluating the merits of a taxing system, it is not enough to subject it only to the test of fiscal responsibility.

To keep faith with the nation’s past, to be fair to the nation’s present, and to safeguard the nation’s future, the plan must also pass a ‘moral test.’

The Republican tax bill fails both of these standards.

I strongly oppose H.R. 1, the “Republican Tax Scam Act,” and urge all Members to join me in voting against this reckless, cruel, and heartless proposal that will do nothing to improve the lives of middle and working class families, and the poor and vulnerable caught in the tentacles of circumstance.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 1 minute.

So I note that constituents in the 18th District of Texas, the past speaker’s district, that average families will see a tax cut of nearly $1,000, and Texas will grow 81,000 new jobs and see higher paychecks as a result of this tax reform bill.

We are proposing a Tax Code so fair and simple, 9 out of 10 Americans will be able to file using a simple postcard system. There is a fairness and equality for each American—knowing what each others’ deductions are because we have exactly the same ones.

This simplicity, this fairness, these larger paychecks, this is what the Tax Cut and Jobs Act is all about.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I reserve the balance of my time.

Mr. BRADY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Mrs. McMorris Rodgers), the leader of the Republican Conference.

Mrs. McMORRIS RODGERS. Mr. Speaker, I thank the chairman for his tremendous leadership on this important legislation this morning.

I am proud to rise in support of enacting tax reform, tax relief to millions of Americans. We have been waiting a long time, more than 30 years.

And while everything else has changed over 30 years, our Tax Code, unfortunately, has only gotten old, outdated, bigger, and more complicated. It has become a burden, a burden that we are going to lift.

Now, there are some defenders of the status quo who think that this Tax Code is just fine. Well, that is not what the American people sent us here to do, to defend the status quo. We are here to do the big things.

Our plan rewrites the Tax Code to put American families first, including families who have children with disabilities. For these families, who may have saved for their son’s or daughter’s college tuition, which is no longer needed or plan carries on the legacy of the ABLE Act by allowing them to roll over from a 529 account to a 529A account, an ABLE account, to pay for things like medical bills or workforce development instead.

With this bill, we are making it easier for everyone to reach their full potential. We are lifting the tax burden for everyday, hardworking Americans. An extra $1,182 for middle-income families in places likes eastern Washington could make all the difference between living paycheck to paycheck and saving for retirement or making that car payment.

Mr. Speaker, this is a historic moment, and I urge all of my colleagues to vote with me on the extraordinary by voting in favor of the Tax Cuts and Jobs Acts. Let’s help our hardworking men and women all across this country.

Mr. LARSON of Connecticut. Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON LEE) for a unanimous consent request.

(Ms. JACKSON LEE asked and was given permission to revise and extend her remarks.)


The Republican Tax Plan’s Five Worst Dangers

(By Robert Rubin)

The deficit-funded tax cuts advancing through Congress are a fiscal tragedy for which our country will pay a huge price over time. While the details of the tax plan remain in flux, its fundamental contours will not. Nor will its $1.5 trillion of deficit funding, the amount stipulated in the recently passed budget resolution.

Perhaps it’s hopeless to expect those in Congress who have long bemoaned deficits and the debt to oppose the plan. If, however, as a matter of conscience or renewed reflection they decide to take heed, here are the fiscal dangers posed by the plan.

To start, the tax cuts will not increase growth and, given their fiscal effects, would likely have a significant and increasingly negative impact. The nonpartisan Tax Policy Center’s latest report estimated that, over 10 years, the average increase in our growth potential could be roughly wiped out by the crowding out of private investment by increasing deficits but not counting other adverse effects of worsening our fiscal outlook.

The Penn Wharton Budget Model, using the same approach, estimates virtually no increase in long-term growth. Goldman Sachs projects an increase of 0.2 percent in the first couple of years and an average increase over 10 years of just 0.05 percent per year, not counting any of the adverse fiscal effects.

These estimates reflect three underlying views held by mainstream economists. First, individual tax cuts will not materially increase the level of work or investment by corporate tax cuts will likely have limited effect on investment or decisions about where to locate
business activity, given the many other variables at play. Third, deficit-funded tax cuts will have little short-term effect on growth, except perhaps for some temporary overheating because we are at roughly full employment.

With no additional revenue from increased growth to offset the tax cuts’ cost, the publicly held federal government debt would increase by $1.5 trillion. An additional danger is that the actual deficit impact would be increased by abandoning the Congressional Budget Office’s nonpartisan evaluation that has been used for decades by both parties in favor of partisan calculations by those pushing the tax cuts.

Add $1.5 trillion more to the federal debt would make an already bad situation worse. A useful measure of our fiscal position is the ratio of publicly held government debt to economic output or gross domestic product, called the debt/GDP ratio. In 2000, the debt/GDP ratio was 32 percent. The ratio is now 77 percent. Looking forward, the CBO projects the debt/GDP ratio to be 91 percent in 2027 and 150 percent in 2047. After $1.5 trillion of deficit-funded tax cuts, those future ratios would be estimated to increase to roughly 97 percent in 2027 and 150 percent in 2047. These estimates likely substantially understate the worsening of our fiscal trajectory, as they do not account for the increasingly adverse effect on growth of the difficult-to-quantify effects of fiscal deterioration.

Exacerbating our already unsustainable fiscal trajectory with these tax cuts would threaten growth in five respects. These are highly likely to be substantial and to increase over time.

First, business confidence would likely be negatively affected by creating uncertainty about future policy and heightening concern about our political system’s ability to meet our economic policy challenges.

Second, our country’s resilience to deal with inevitable future economic and geopolitical emergencies, including the effects of climate change, would continue to decline.

Third, funds available for public investment, national security and defense spending—a proscribed concern of many tax-cut proponents—would continue to decline as debt increases and rising interest costs and the increased risk of borrowing to fund government activities.

Fourth, Treasury bond interest rates would be highly likely to increase over time because of increased demand for the supply of savings and increased concern about future imbalances. That, in turn, would raise private-sector interest rates, which could also increase due to widening spreads vs. Treasuries, further reflecting increased concern about future conditions. And even a limited increase in the debt-to-GDP ratio could focus attention on our fiscal trajectory’s long-ignored risks and trigger outsize increases in Treasury and private-sector interest rates. The ability to borrow in our own currency, and to print it through the Federal Reserve, may diminish these risks for a while, as might capital inflows from abroad. But these mitigations have their limits; at some point, unsound fiscal conditions almost surely would undermine our currency and debt markets.

Finally, at some unpredictable point, fiscal conditions—and these market dynamics—would likely be seen as sufficiently serious to cause severe market and economic destabilization.

We have an imperative need to address our unsustainable longer-term fiscal trajectory with our own organic policies. Few elected officials want to face this fact, but, at the very least, they should not make matters worse. We can only hope that responsible elected officials will prevent this irresponsible tax plan from being adopted.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 1 is postponed.

When debate on H.R. 1 time remaining will be 17 minutes for the gentleman from Texas (Mr. BRADY) and 12 1/2 minutes for the gentleman from Connecticut (Mr. Larson).

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Lasky, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 1545. An act to amend title 38, United States Code, to clarify the authority of the Secretary of Veterans Affairs to disclose certain patient information to State controlled substance monitoring programs, and for other purposes.

H.R. 3949. An act to amend title 38, United States Code, to provide for the designation of State approving agencies for multi-State apprenticeship programs for purposes of the educational assistance programs of the Department of Veterans Affairs.

H.R. 3754. An act to amend the Federal Food, Drug, and Cosmetic Act to authorize additional emergency uses for medical products to reduce deaths and severity of injuries caused by agents of war, and for other purposes.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 807. An act to provide anti-retaliation protections for antigentrification whistleblowers.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (Mr. 1 o’clock and 10 minutes a.m.), the House stood in recess.

□ 1230

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COLLINS of Georgia) at 12 o’clock and 30 minutes p.m.

TAX CUTS AND JOBS ACT

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 1) to provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018, will now resume.

The Clerk read the title of the bill.

The SPEAKER pro tempore. When proceedings were postponed earlier today, 29 1/2 minutes of debate remained on the bill.

The gentleman from Texas (Mr. BRADY) has 17 minutes remaining and, without objection, the gentleman from Massachusetts (Mr. NEAL) has 12 1/2 minutes remaining.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas.

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, Congress established the Alaska Native Settlement Trusts in 1988 to provide permanent health, education, and welfare benefits to Alaska Natives, who are among the most economically disadvantaged populations in the United States.

Unfortunately, Mr. Speaker, the Tax Code has, in many cases, impeded the creation and funding of Alaska Native Settlement Trusts. As a result, Alaska Native Settlement Trusts have not been able to function in the manner Congress originally intended to provide benefits for Alaska Natives. To remedy some of these tax issues, I have sponsored H.R. 3524, which permits an Alaska Native Settlement Corporation to deduct contributions to their settlement trust.

The provisions of H.R. 3524 were not included in H.R. 1, and the tax bill also adversely increases Alaska Native Settlement Trust tax rates from 10 percent to 12 percent. This would make it more difficult for Alaska Native Settlement Trusts to provide long-term benefits to Alaska Natives.

Mr. Speaker, I request that the provisions of H.R. 3524 be included in the final conference report that results from the conference committee.

Mr. BRADY of Texas. Will the gentleman yield?

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to work with the gentleman from Alaska (Mr. YOUNG) on this important issue for the Alaskan Native community. Under the tax bill, Alaska Native Settlement Trusts would be unintentionally subject to a higher tax rate.

I thank him for bringing this to my attention. I assure him that I will focus on this in conference as we finalize individual rate structures between the House and the Senate. I also look forward to working with him to advance the provisions of his bill in this important area.

Mr. YOUNG of Alaska. Mr. Speaker, I thank the chairman for those remarks. He has been great to work with. His staff has been outstanding. I thank him for his commitment to working on the inclusion of H.R. 3524 and maintaining existing rates in law with regard to Alaska Native Settlement Trusts, and, more generally, for his support of the Alaska Native community.

Mr. NEAL. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, as we wind down this debate on tax reform or, what we should really call it, tax cut, I think that we should tabulate this as a missed opportunity. This could have
been done between the two parties. Instead, much of this was constructed without any Democratic input.

Reminder: In 1986, the historic Tax Reform Act included President Reagan and Speaker O’Neill, Chairman Rostenkowski, michele Bachmann, and Bill Bradley. In this instance here, 32 years later, not one hearing was held on this tax bill that is about to be voted on in the next 45 minutes.

The assurance is that there was never any back-and-forth, and in 1986, expert testimony was sought from 450 witnesses. We had not one witness who commented on the legislation.

It has been advertised as a middle class tax cut. Wait until you get the bill. How can you say that this is a middle class tax cut and compare that to repeal of the estate tax?

How many middle class people in America pay the estate tax?

That is how many people pay the estate tax. No middle class American pays the estate tax. There is no such thing as a death tax, in addition to which a middle class tax cut is described as doing away with the alternative minimum tax. 4.5 million families pay an alternative minimum tax in America. That is it.

I fixed the problem years ago for the middle class, and 27 million people stopped paying AMT. So now we are down to people at the very top.

So how are we paying for this? Or how are they paying for it, better, because they are not going to get much help this side?

Well, they decided that that teacher who used to have $250, that they could deduct on their income taxes, that is going to be abolished.

So if you have Alzheimer’s and you exceed the 10 percent number in terms of cost in your healthcare for caring for that loved one at home who is sick or has dementia, that is how they are going to pay for the tax cut. They are going to take that away.

State and local property taxes, they are going to take that away—the deduction. They are going to pare back the mortgage interest tax deduction. All of this advertised on the basis of a middle class tax cut?

People at the bottom end are not going to get much from this tax cut. I want to take you back again, as I have repeatedly, because I have cast three great votes in this House during my 29 years in the Iraq war, and there weren’t many of us; against the cuts in 2001; and against the tax system in 2003; all advertised as progrowth economics.

There was no economic growth in the tax cuts of 2001, which totaled, by the way, $1.3 trillion. For people who said at the time, “everybody gets a tax cut,” they were correct. Then you looked at the distribution tables to see what people got at the top and then what people got at the bottom. Then we came back in 2003 and cut another $1.3 trillion in taxes—advertisers progrowth economics—zippo growth occurred.

Then, by the way, the grandaddy of them all: How about repatriation. Repatriation, bringing back those earnings to the United States for investment in job growth, at, by the way, 5½ was the tax burden they carried, all based on transfers. It failed stock buybacks, dividends, and layoffs.

We had a chance here to do something historic. We had a chance here in this debate and discussion because there is a genuine affability on that committee. We had this opportunity to take the tax system that weighs it for the gig economy in the modern age. We didn’t do that, though. Four days we had to examine this tax proposal with no hearings. Not one chance for a Democratic amendment to proceed.

I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this historic legislation before us today represents a crucial step to fulfilling our tax reform promise to the American people, but it is not the final step. We are Republicans. We believe the Tax Code doesn’t belong to Washington. It belongs to the American people. We will continue to work to make it better and improve at every step of the way.

Before I make final remarks, I want to thank all of our Ways and Means Committee members who have done so much and worked so hard, as well as every Member of this House who helped make this opportunity real for the American people.

I also want to say how grateful I am to everyone at the nonpartisan Joint Committee on Taxation and the House Office of the Legislative Counsel. Their careful analysis contributed so much to this bill.

Finally, I want to give special recognition to Barbara Angus, the chief tax counsel on the Ways and Means Committee, and the staff on the committee, who put their hearts and their souls and many sleepless nights in the development of this bill. I can’t thank them enough for their hard work and dedication.

Mr. Speaker, the House of Representatives is, by its very design, the Chamber of Congress closest to the American people. Today, this House—the people’s House—will pass historic legislation to taxation and the House Office of the Legislative Counsel. Their careful analysis contributed so much to this bill.

I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, let me acknowledge the support of the Democratic staff that are here as well: Kara Getz, Karen McAfee, Aruna Kalyanam, Peg McGlinch, Deva Kyle, Ji Prichard, and Suzanne Walsh. They did a magnificent job as well, and we are much dependent on the good staff work, particularly, on the Ways and Means Committee.

Mr. Speaker, I spoke earlier of the missed opportunity that we have here. We have a real problem in America with labor participation rates. Six million jobs go unanswered every day now in America, 18,000 precision manufacturing jobs in New England, and 1 million tech jobs, because skill sets don’t align with the job opportunities that are available.

Two million Americans sit home with opioid addictions who should be in the workforce. This was a chance to invest in human capital as well, to invest in our community colleges, to invest in apprenticeship programs. Yes, the challenge is, clearly, to invest in vocational education for many of the jobs that are available.

Instead, we pushed that off to the side and decided that, once again, if we just had tax cuts, all of these challenges and problems would go away.

The idea of investing in the human side of American opportunity is then
people do what we would like them to do in terms of home buying, raising families, caring for neighborhoods, and practicing the art form of citizenship.

Once again, what we are witnessing today—and we need to be alarmed about—is the greatest and greater conservation of wealth in the history of the United States. Now, I understand it is complicated. It has to do much with technology and globalization, but it is also about the gig economy, and we, today, reward capital more than we reward labor.

When we get done, if they are successful on the other side, we are going to further concentrate wealth amongst those few families in America. We serve here in the House of Representatives, not in the House of Lords. This is not about peerage, where you are entitled to a seat in this House of Representatives. That is what is wrong. That is what Jefferson and Madison envisioned when they signed those bonds of the Declaration of Independence and the Constitution to break with Europe. We don’t practice divine right here.

I wish the outcome here today, Mr. Speaker, would have been more genuine and it would have been different.

Mr. BRADY of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. SCALISE), our majority whip and a tremendous leader on tax reform.

Mr. Speaker, I want to thank my friend and colleague from Texas, Chairman Brady has done an incredible job at bringing this Tax Cuts and Jobs Act to the House.

Today is an historic day, Mr. Speaker. For families who for so long have been calling out saying that they want to pay less in taxes, we answer that call today, Mr. Speaker.

When you have heard the complaints, as I said so many others have every time we see a company move more jobs overseas, good, high-paying jobs overseas because America has the highest tax rate in the industrialized world, we finally do something about that today, Mr. Speaker, by cutting the corporate rate so that we can be competitive again and so that we can bring those jobs back home.

Let’s talk about something else that is going to be a benefit to hardworking families. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. HOYER), a very capable legislator, the Democratic whip.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding.

This is the most irresponsible bill that I will have been confronted with in the 37 years that I have been in the Congress of the United States.

This bill, Mr. Speaker, is both reckless and mean. It is reckless because it would add more than $1.7 trillion to the government deficit over a decade. It is mean because it would strip more than half of the benefit of this legislation away from the 99% of Americans who are struggling.

There is no courage in voting for this bill, yet we know there is no courage in voting against it. What is hard to do is paying for what we buy. Neither side does it particularly well.

There is no courage in voting for this bill, only a suspension of common sense and their own abandoned commitment to fiscal sanity.

Furthermore, my Republican friends call this bill a tax cut. The gentleman who just spoke, the whip, said it is a reduction in rates, but 36 million working Americans will receive a tax increase under this bill. We are very careful in our articulation of reduction of rates, but taxes for 36 million Americans, working Americans, will go up.

Furthermore, they call this bill a tax cut. It is not a stretch of the imagination to presume that, given Republicans’ urgency to reject bipartisan compromise and deflect public input, the Members of this House will be asked to accept whatever version of the tax bill can pass the United States Senate.

Yesterday, the Senate Finance Committee rejected this bill 36-0. The Senate Finance Committee, headed by Republicans, rejected this bill 36-0.

I am reminded of what Representative MATT GAETZ, a Republican, said last month about the budget resolution that teed up this tax plan. He said that we were being ‘asked to vote for a budget that nobody believes in so that we have the chance to vote for a tax bill that nobody’s read.’

Mr. Speaker, I won’t ask anyone to raise their hand if they have read this bill.

One hand.

Those who take this vote will have to live with it and just hope that whatever mystery tax package their Senate colleagues send over here won’t gut whatever concessions they have extracted.

I heard the whip say no special provisions in this bill. I don’t have the time to go through every special provision that has been used to get people to vote for this bill.

Mr. Speaker, this isn’t the tax reform the American people were promised or the tax reform the American people want.

Mr. Speaker, let’s sit down together. Let’s sit down together, the chairman and Mr. NEAL, two responsible, good Americans, sit down together not in a partisan way, but in a bipartisan way.

That is the way we did the 1986 bill. That is why it was such a responsible piece of legislation.

Let’s enact tax reform that focuses on the working class, the middle class, the people who need the money, not give over half of it to the richest people in America. I don’t have any beef with them, we would all like to be rich, but they don’t need a tax cut, and the middle class does. Why give 50 percent of the revenue to them?

Let’s enact tax reform that focuses on the middle class. Let’s enact tax reform that doesn’t give half the benefit to those making more than $900,000 a year.
Let’s enact tax reform that improves our long-term fiscal position rather than adding the $1.7 trillion to our debt that the CBO projects that this bill would add.

As former Treasury Secretary Robert Rubin to them—conspiring to kill a tax cut that the President and first lady proposed in today’s Washington Post—and, by the way, he was the Secretary of the Treasury during the only 4 years of balanced budgets that we have experienced in the last 50 years.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HOYER. Vote “no” on this bill. Look to your souls, not your polls or your political accounts.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HOYER. Reject this sellout of America’s future.

The SPEAKER pro tempore. The time of the gentleman has expired.

The gentleman is no longer recognized.

Mr. HOYER. ***

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MCCARTHY), our majority leader and a champion for tax reform.

Mr. MCCARTHY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, before I begin, I want to thank the gentleman. I want to thank him for all those Americans out there who have waited decades for this, for the hours that he has listened, for the numerous hearings he has gone through to get us to this day.

Mr. Speaker, I stand before this body, but I want to speak to the people watching us at home right now and who will hear us in the hours and days to come. I want to speak to the people who stretch their budgets to get to the next paycheck. I want to speak to the people who are starting to wonder if the American promise no longer applies to them.

You need a comeback. America needs a comeback.

If we are successful today and in the weeks to come, you will keep more of the money that you earned. You will have more in your paycheck. Your life will improve. If we succeed, you will succeed, but if the leaders and obstructionists on the other side of the aisle win, you will lose. You see, they want Washington insiders and bureaucrats to keep more of your hard-earned income. They think it is theirs to spend. You will keep more of the money that you earned. You will keep more of the money that you worked for. You will keep more of the money that you earned. You will keep more of the money that you earned.

I want to speak to everyone who is watching at home. Do you want higher taxes and less money in your pockets or do you want lower taxes and more money?

I think we have sent a message to the doubters and the critics. The American people do not want hard work to be punished. We do not accept. We do not accept that Washington knows how to spend our money better than we do.

I have a different message for the American people: Those trying to find a job, that long search is coming to an end. This is your comeback.

To those sick of just getting by and fighting for a raise, this is your comeback.

To those struggling to keep your small business afloat, to pay your employees, to help your neighborhood, this is your comeback.

To every American who ever dreamed of being an entrepreneur and owning a small business, this is your comeback.

To every mother and father starting a family, raising your kids, and trying to give them more of an opportunity than you ever had, this is your comeback.

Now, I put hope in the American people. This bill puts hope in our American people because we trust the people. That is the start of America’s comeback.

The SPEAKER pro tempore. The Chair reminds all Members to address their remarks to the Chair and not to a perceived viewing audience.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the very capable Democratic leader.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding and thank him for his superb leadership as the top Democrat on the Ways and Means Committee. I commend him, and all of our fellow Democrats on the committee, for standing up for the middle class in our country and fighting for the truth and what is in this bill.

Mr. Speaker, this vote today is a defining moment for our country. Our votes today will decide the future of America. The bills the Republicans have brought forth today will add $1.7 trillion to the national debt. This bill Republicans have brought to the floor today is not tax reform. It is not even a tax cut. It is a tax scam. So many people have written in about it who are affected by it, and I will submit all of that for the record. I do want to say that this is not only a defining moment, it is a moment of truth.

With straightforward and with the speed of light—I have to give them their due, they raced this thing through in the dark of night—they are trying to sell a bill of goods to the middle class that this is in their interest, that this is a middle-income tax cut.

According to the nonpartisan Tax Policy Center, Republicans are raising taxes on 36 million middle-class families.

I associate myself with the very wonderful comments of our distinguished House Democratic whip, Mr. HOYER, especially at the end when he said: “Look to your souls, not to your polls.”

I want to speak to Pope Benedict, his encyclical, God is love. It was his first encyclical as pope, and in that encyclical, Pope Benedict quoted the wisdom of St. Augustine.

Seventeen centuries ago, St. Augustine said: “A state which is not governed according to justice would be just a bunch of thieves.”

Benedict went on to say: “The state must inevitably face the question of how justice can be achieved here and now.” And he cautioned against the “danger of certain ethical blindness caused by the damaging effect of power and special interests.”

Interesting, in light of the fact that when this bill is brought forward, the
Director of the National Economic Council, Gary Cohn, said: “The most excited group out there are the big CEOs, about our tax plan.”

Is that about justice?

Congressman Chris Collins said: “My donors are basically saying, get it done or don’t ever call me again.”

Senator Lindsey Graham said: “The financial contributions will stop” if this tax scam fails.

Well, he didn’t say scam. I am saying scam. That is my word.

Back to the Pope and the Catholic bishops. The U.S. Conference of Catholic Bishops wrote: “... this proposal appears to be the first Federal income tax modification in American history that will raise income taxes on the working poor while simultaneously providing a large tax cut to the wealthy.”

The U.S. Conference of Catholic Bishops went on to say: “This is simply unconscionable.”

We may begin our session with prayer, and many of us attend mass on the weekend, on Sundays. But we cannot pray and think that that gives us a lesson to pray on people the rest of the week; and that is what this bill does. It preys on these people and asks them aspiring to it. It pillages and loots the middle class. It is a shameful piece of legislation, and the Republicans should know better.

That said, it is going to get better in the Senate. Oh my gosh. In the Senate, as Mr. Hoyer pointed out, unanimously, the Senate Finance Committee rejected this proposal already. Was it 26–0? Whatever the number was, the zero looked large.

But getting back to values, because that is what we are here to do, and what we do in our budget, which the tax bill is a part of. It is supposed to be a statement of values.

In his study of civilization, the great British historian, Arnold Toynbee, found that, at the beginning of a hopeful country, the political leadership formed a creative minority that inspired and led the flowering of civilization. But in some nations, leaders became a dominant minority of ‘exploiters, focused on their own wealth and power.

Arnold Toynbee, welcome to the Republican side of the aisle and Congress. These competing mindsets, he went on, between the dominant minority of exploiters versus the creative minority that inspired and led the flowering of civilization, these competing mindsets and motivations create schisms in the body social and schisms in the soul of the body political.

And in all of this, behold, the Republican Party has written a bill, nearly half of the benefits go to the top 1 percent—top 1 percent in our country—and 80 percent of the benefits go to the top 2 percent. This is a defining moment, but it is also a moment of truth.

How can the Republicans, with a straight face, say to the middle class: Well, we are doubling this or doubling that? Give with one hand, take with another.

And to hear them cheer, hear them cheer for the provision in here about the estate tax?

Listen to this. You tell me if you think this: 1,800 families in America—not your family farmer. Everybody is taken care of in what we have done already with the estate tax.

In this bill, 1,800 of the wealthiest families, the filers in our country, will, in the life of the bill, get the break of $172 billion; 1,800 families. This is for 1,800 families.

And you know what? The Republicans cheered that; 1,800 families are going to get $172 billion.

They cheer the fact that up to $1.5 trillion in tax cuts goes to corporate America, while, at the same time, giving them another tax break to send jobs overseas; at the same time, absolving them of any responsibility when it comes to the middle class and insisting that individuals lose the State and local tax deduction, but corporations do not.

And listen to all of it. Were they cheering when they are saying to a teacher: You may bring supplies to your school because your school and classes need that? God bless you for that. But we are taking away the tax deduction that goes with that.

What? Is that something to cheer about?

They are saying to students who get a $2,500 tax deduction on interest on student loans: Forget about that. Even though it may make the difference between your attending college or not, forget about that. We are too busy giving a tax cut to the 1,800 wealthiest families in America so they can get $172 billion in tax breaks over the next 10 years.

They are saying to families, whether they have a child with a disability, a senior with Alzheimer’s, and everything in between: If you have extraordinary medical expenses, and, since 1944, you have been able to deduct them, no more. No more, because we have got to give it to the high end. So take that away.

Do you have any idea what that means to America’s working families, and what it means for them if they have Alzheimer’s? How do we help them?

We had one person come to our event in San Francisco last week from Barbara Lee’s district. She said there was over $170,000 in costs for her because her husband has Alzheimer’s. The tax deduction enabled them to survive. She said: I can’t even imagine the cruelty that decided that this should happen in this tax bill.

So understand what this means in people’s lives, and tell the truth about it. Tell the truth about it.

Republicans want you to believe that their trickle-down tax break for the rich will pay for itself. Never has happened.

As Bruce Bartlett, architect of Jack Kemp’s supply-side economics said, “It is not true,” that this trickle-down economics pays for itself. “It is not true. It is nonsense.” And he went on to say it was “BS,” in the full extent of those words.

This tax scam won’t create jobs. It won’t raise wages. It will only fill the coffers of the donors and the fat cats. The GOP tax scam will add trillions to the debt and stick our children with a bill that you cannot pay off. None of us will probably be around by the time the full impact of the hemorrhaging of the debt in the second 10 years of this bill will require big tax increases. Look to the Kansas example.

As I like to say to the Caucus, Mr. Speaker, maybe I have to use my mother-of-five voice to be heard. But as a mother of five and a grandmother of nine, we are supposed to be thinking about our children and their futures, the health of our grandchildren and their futures.

God willing, one day some of you will have grandchildren. I always ask the question: Do they breathe air? Do they drink water? What in the world is going on? Who are you messing that up in other areas of our policymaking here?

But getting back to this. The tax scam won’t create jobs. It won’t raise wages. As I said: It will only fill the coffers of donors and the fat cats.

This GOP tax scam will add trillions to the debt. Oh where, oh where are the deficit hawks? Have you become extinct? Is there not one among you who understands what this does to the national debt?

And with all due respect to your leader, for him to put at our doorstep the debt, when it was a creation—President Bush went into office on a path from President Clinton of deficit reduction. The last five Clinton budgets were in balance or in surplus. President Bush turned that around by repealing pay-as-you-go. Tax cuts for the wealthy didn’t trickle down. Two unpaid-for wars, giveaways to PHARMA, the pharmaceutical industry, taking us to a place—remember September of 2008, when we were in the worst economic downturn since the Great Depression?

But anyway, back to here. As Republicans know, our Republican friends have already shown us their playbook. In this bill, corporations will get a cut of $1.5 trillion—the same $1.5 trillion that Republicans plan to slash from Medicare and Medicaid in the GOP budget.

In their bones, the American people know they are getting a raw deal under the Republican bill before us. You know it. You know why you are here. You know what you are doing.

Democrats believe the American people deserve better, a better deal, better jobs, better wages, better future. We want to create good-paying jobs, raise workers’ wages, lower the cost of living for families, give Americans the tools
they need to succeed in the 21st century. But you can’t do that if you have a budget that does not invest in that future and is hampered by the cuts.

Let’s go back to the drawing board. Let’s write a bipartisan bill that raises wages, creates jobs, promotes growth, and reduces the deficit. To get to that place, we want to go to the table in a bipartisan way and find out what are you afraid of?

In a bipartisan way, let’s put together a tax bill that is good for the American people instead of one that does violence to the American Dream.

Mr. Speaker, I urge my colleagues on both sides of the aisle to vote “no” and to demand a better bill for America’s working families.

Mr. Speaker, I include in the RECORD the U.S. Conference of Catholic Bishops’ fabulous statement about this tax bill.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS,
Washington, DC, November 9, 2017.

Dear Representative: Decisions about tax changes have profound implications for “justice and equity”, with the goal of taxes and public spending “becoming an instrument of development and solidarity” (Mater et Magistra, 122, Compendium of the Social Doctrine of the Church, no. 355).

On October 27, the USCCB offered six moral principles to guide us on tax reform, centered on care for the poor and concern for families. The Tax Cuts and Jobs Act of 2017 contains many fundamental flaws that must be corrected. As currently written, the proposal is unacceptable.

Care for the Poor. Doubling the standard deduction will help some of those in poverty to avoid tax liability, and this is a positive good contained in the bill. However, as written, this proposal appears to be the first federal income tax modification in American history that will raise income taxes on the working poor while simultaneously providing a large tax cut to the wealthy. This is simply unconscionable. The nonpartisan Committee on Taxation (JCT) indicates that by 2023 this tax plan will raise taxes on average taxpayers making between $20,000 and $40,000 per year. Taxes also will be raised again in 2025, and again in 2027. Taxes will also increase on average taxpayers earning between $51,000 and $200,000 in 2025. The federal poverty line is $12,628 for one person, and $24,338 for a two-parent family with two children. Nearby one in three Americans live in a family with income below 200% of the poverty line. Meaning that taxpayers who make over $1 million experience dramatic tax cuts for the same periods. No tax reform proposal is acceptable that increases taxes for those living in poverty to help pay for benefits to wealthy citizens.

Several other tax proposals that assist the working poor and others who may struggle economically are also eliminated, including: the Work Opportunity Tax Credit, which incentivizes hiring of the disabled, veterans, those with low-paying or long-term unemployment, and individuals receiving federal poverty-related assistance; the tax deductions to reduce the burdens of tuition assistance; the income tax credit to persons who retire on disability; the deduction for state and local income and sales taxes, which may impact people in higher tax states; the tax deduction for employee business expenses; and tax incentives to employers and employees to help with moving expenses for a new job. In Pope Francis’ words, is in “debt” to the family. The family is the most important institution in society because education, formation, and care of the poor, young and older, and the elderly, take place more in the family than anywhere else. Expanded access to schools of choice is a positive step in this legislation, however, would encourage Congress of even further by empowering more parents in directing their child’s education. We also appreciate that the legislation recognizes important child care needs for parents’ 529 education savings account contributions.

However, this tax plan places new and unreasonable burdens on families, especially those who welcome life or experience serious hardships:

- It removes the adoption tax credit which provides important and life-affirming assistance for families to adopt children desperately in need of love and support.
- The plan repeals the tax deduction for adoption assistance programs, which allows a family to exclude money paid by an employer for adoption costs up to the amount of the adoption assistance alternative. This exclusion also allows those who adopt a child with special needs to receive the full value of the exclusion regardless of actual adoption costs.
- Eliminating the credit and exclusion sends the wrong message about our national priorities, which ought to protect life, strengthen families, and affirm the value of every human being. The savings to society from children finding loving homes is well beyond any revenue lost due to the credit and exclusion.
- It eliminates the personal exemption. Even with the doubling of the standard deduction, some larger families will pay more, including many two-parent families with more than three children, and single-parent families with more than one child. It is laudable that the child tax credit has been expanded and removes the marriage penalty. However, the modest increase in the credit does not fully compensate for the elimination of the personal exemption.
- Moreover, because the child tax credit only remains refundable up to $1,000, lower income families will get no additional benefits from the child tax credit suffering the full loss of the personal exemption.
- It eliminates the out-of-pocket medical expenses deduction for families facing serious or chronic illness.
- It eliminates tax incentives to employers to provide dependent care assistance or child care. The family flexibility credit, at $300 per taxpayer per child, is set to expire after five years and does not offset the greater losses.
- It eliminates the qualified tuition deduction for children of teachers, which will raise taxes on educational institutions and disrupt family arrangements.
- It repeals mortgage tax credit certificates, which are only available for first-time home buyers under certain income thresholds.
- Other aspects of the plan also have consequences for families. By creating stricter rules around parents’ social security numbers, the plan makes it more difficult for immigrant taxpayers to receive the Child Tax Credit. The plan also removes the Tax Credit for their families, or to receive assistance in seeking advancement through education.
- Progressivity of the Tax Code. Pope St. John Paul II described a progressive tax code is required by “justice and equity.” The “Unified Framework,” upon which this tax plan was based, promised that any new tax code would be “at least” as progressive as the present code. This plan breaks that promise. It raises taxes on the working poor, while simultaneously using the tax breaks to high-income taxpayers. It also repeals the estate tax (which applies to the estates of single people valued at more than $5 million and married people valued at more than $11 million), and eliminates the Alternative Minimum Tax (AMT) which was designed to prevent high-income earners from reducing their tax liability through loopholes. In the years that the working poor suffer a tax increase under this bill, millionaires and billionaires benefit from large tax decreases. This must be fixed. Those who stand to benefit the most from proposed tax policies ought to be the ones to bear most of the risk associated with the others than those who are struggling and in need.

Adequate Revenue for the Common Good and Avoiding Future Cuts to Poverty Programs. The state has a legitimate role in promoting the common good, and a legitimate interest in collecting taxes to do so. This tax plan, by design, will result in a nearly $1.5 trillion decrease over ten years. Even with the potential benefits of economic growth from individual and corporate tax cuts, which cannot be guaranteed, the poor should not be the ones to finance these changes.

Without question, the deficit will be used as an argument to further restrict or eliminate programs that help pull struggling families out of poverty. Repeal of the AMT and estate tax alone comprise a good portion of the deficit that is built into the plan. Rather than exploring even modest reductions to these dramatic cuts for the wealthiest, the bill raises taxes on the vulnerable and creates a strong incentive to cut the social safety net.

Incentive for Charitable Giving and Development. Doubling the standard deduction will bring tax relief to many people. However, for those who give to charity, it will make the charitable deduction increasingly a benefit only available to high income families. An “above-the-line” deduction would incentivize and assist charitable giving at all income levels, and increase the amounts people can give. It would also guard against a middle-class-dollar deductible giving that this plan would otherwise cause, shrinking civil society and cutting income to nonprofits that help the poor. Just as government income to the poor must be noted above. By and large, money given to charity helps those need. The tax code should encourage voluntary association, mutual aid, and a culture of giving, helping rather than hurting groups that will be asked to do more for the poor in the days ahead. Similarly, the plan will lower the deductible housing and community revitalization incentives. Public-private partnerships that benefit the poor and the greater community should not be discouraged.

Because tax policy is far-reaching, Congress must provide ample time for Americans to discuss the complexities of these reforms and fully understand their effects. The current timetable does not provide adequate time for that discussion. In many ways, this legislation is unacceptable in its present form and must be changed for the sake of families—the bedrock of our country—and for those struggling on the peripheries of society who have a clear and national conscience.

Sincerely,

Most Reverend Frank J. Dewane,
Bishop of Venice, Chairman, Committee on Domestic
Ms. PELOSI. I return to one of their statements: " . . . this proposal appears to be the first Federal income tax modification in American history that will raise income taxes on the working poor while simultaneously providing a large tax cut for the wealthy."

The Senate is not going to make it better. They have already said they are raising taxes on those making under $75,000 and giving tax cuts to the wealthy. They have already said they are going to take affordable care away from 13 million Americans.

I don't know how that is making it better. That might be something you apply better but I certainly hope you wouldn't vote for it.

The SPEAKER pro tempore. The Chair would remind all Members to direct their remarks to the Chair and not to others in the second person.

Mr. NEAL. Mr. Speaker, I yield back my time.

Mr. BRADY of Texas. Mr. Speaker, no one man has plowed the field for tax reform for more years, more boldly, or more effectively than the Speaker of the House.

Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, first, I love this 1 minute, and I try not to abuse it too much, but I am going to right now.

Mr. Speaker, I want to start off by thanking Chairman KEVIN BRADY and all of the members of the House Ways and Means Committee for this job well done.

Mr. Speaker, we are in a generational defining moment for our country, and what we are doing here—what we are doing here—is not just determining the kind of Tax Code we are going to have, what we are doing here is determining the kind of country we are going to have.

Right now, because of this anemic economic recovery—don't forget, we had the worst recession in our lifetimes in 2008, and ever since then this economy has been flat. This economy has been growing at a limp 1 percent. This economy has been growing at a limp 1 percent.

Do you know what that means for hardworking taxpayers? Do you know what that means for Americans? Nobody gets a wage increase. Living standards are stagnant. Economic anxiety is high.

Seventy-eight percent of our workers in this country today are living paycheck to paycheck. Most Americans say that they don't even have $500 in their bank account for an unexpected emergency or an expense. This is the economic anxiety that is for real in this country today. Instead of thinking about getting ahead, families are just struggling to get by.

Think about all the moms and the dads and the hardworking taxpayers going to bed tonight and not sleeping, worried about what comes next week. This is not how it should be. This is not how it is in traditionally. We need to restore growth. We need to restore opportunity. We need to restore this beautiful thing we affectionately call the American idea. Passing this bill is the single biggest thing we can do to grow the economy, to restore opportunity, and to help these middle-income families who are struggling.

People always ask: Well, what is in it for me? How do I benefit from this? I am a chart guy:

Why is this important? What this shows you, under this plan, the average family at every income level gets a tax cut, a tax cut at every average level.

What this chart shows you, the people here who are struggling, the people here who are in middle-bracket, the people here in low income trying to become middle income, they get the biggest tax cuts.

This plan is good for people in all walks of life all across the country, and the bigger relief goes to those who need it most.

Let's put it into numbers.

A typical household of four people, they make $59,000 in this country. That family of four gets an $1,182 tax cut the first year alone.

The median family income, Mom, Dad, two kids, the median family income in America today is $57,000. That family will get a $1,941 tax cut right away, year one. If you are one of those 57 percent of Americans who say you don't even have $500 to go through an emergency, this really helps you.

Let's talk about those people who itemize their taxes, who live in high-tax States. Let's talk about a couple making $115,000, living a high-tax State. Let's say they have $8,400 in a mortgage interest payment and $6,900 in property taxes for the year. They can still write off all of those off under this plan, and they will still see a tax cut of $1,130; if they have kids, an even larger tax cut.

Not only do people get to keep more of their own money in their own pocket, but we dramatically simplify the tax system. We make it more fair.

Today, 7 out of 10 Americans don't itemize their deductions. That means 70 percent of Americans take what we call the standard deduction for their taxes. It is just that. It is standard. It is straightforward. You are not taxed on that income. No country tradition.

Over the years, Washington has piled on special interest loophole after special interest loophole after special interest loophole. These loopholes are skewed to the people who are wealthy, who are well connected, who can afford all the tax lawyers and all the accountants to navigate the Tax Code so they can get a good deal. But if you are not in that group, if you don't have the lawyers and the accountants and you are just scraping away with your middle income, you don't get those deals.

What we want to do is take those loopholes away, make it fair for everybody, lower tax rates, and make it easy.

Here is how easy this gets. We are going to make it so easy that, by doubling the standard deduction, 90 percent of Americans, 9 out of 10 Americans, will be able to fill out their taxes on a form the size of a postcard. What this means is, for a single person, you don't pay taxes on your first $12,000 of income. For a married couple, you don't pay taxes on your first $24,000 of income.

Here is the basic philosophy. Instead of jumping through all the hoops that the IRS puts in front of you, instead of doing what the special interest groups say you need to do in order to get some of your money back and you say: Keep your money in the first place. It is your money. Do what you want with it.

All of this is about tax relief. It is about fairness. It is about simplicity. It is about easing the stress and anxiety that is in this country.

What we really need to do is we need better jobs, more jobs, faster economic growth, higher wages.

This brings us to the way we tax ourselves as businesses. This brings us to what we do to make America the most competitive place in the world.

Here is the real problem we have got when it comes to the way we tax our businesses. We are the worst in the world at it. We, right now, tax our businesses at the highest corporate tax rate in the industrialized world.

What does that do? Well, let me give you an example of what some have said.

In Wisconsin, the example is Johnson Controls. Johnson Controls is a company with a history dating back, in our State, to the 1880s. It was the biggest company we had headquartered in Wisconsin. Not anymore, because Johnson Controls is an Irish company, and their Irish tax rate is 12 percent.

This is happening all over the country. Companies, just to stay competitive, are becoming foreign companies. And when the headquarters of that company leaves your hometown, when the headquarters of that business and that employer leaves your State and goes to another country, there goes the United Way Campaign. There goes the contributions of the United Way Campaign. There goes the United Way Campaign. There goes the research and development. There goes America's competitiveness.

What is worse is all these foreign companies are buying U.S. companies because it is cheaper. It is cheaper to use foreign employees.
to 20 percent. Because, guess what. When you tax your businesses at much, much higher tax rates than our foreign competitors tax theirs, they win and we lose. We have got to stop losing. We have got to start winning. That is what this bill represents.

What is even more impressive about this is it lowers taxes for those small businesses, those mom-and-pops even more. We have got to make sure that our businesses, the job creators of America, have every incentive to stay here, to have every incentive to build here, have every incentive to hire here.

What is more, we are finding that by doing this, we are going to get faster economic growth. We are going to get more jobs. We are going to get higher wages, better take-home pay.

Let me just break it down in simple numbers.

The Tax Foundation ran the numbers. The nonpartisan Tax Foundation said, with this bill, we will get faster growers in the U.S. at 70 percent faster economic growth. We will get about 839,000 new jobs. They estimate that in New York State alone, 57,834 new jobs; in Wisconsin, 17,999 new jobs; in California, 101,422 new jobs; in Texas, 74,037 new jobs. You get these new jobs where you grow this economy. You pass this bill, you grow this economy.

So why do we do all of this? Because it is about giving people more take-home pay. It is about raising wages. It is about helping families that are struggling to get ahead. It is about getting Washington out of the business of picking winners and losers and giving the American people the kind of economy they deserve, the kind of economy we can have.

This just shows you that across every income scale across the board, wages will go up because we are going to grow the economy. Most of the wage growth goes to the people who need it most, people who are in the middle, people who are struggling. That is why we are here.

Right now, we are in the middle of a long day where people are working tooth and nail in their jobs. We are right here in the middle of a day where America’s workers are trying to figure out how they are going to keep up with everything.

Those people, the hardworking tax-payers, they are the ones that we represent, that is why we are here. This is why we are doing this. They are the foundation of this country. We are here today for them.

The special interest groups are trying to erect barriers to keep middle-class people, keep the negativity you see out there, there is probably a special interest group back there trying to keep their special niche in the Tax Code.

It is high time we root that out, we don’t settle for that status quo, and we give people the kind of Tax Code that they need and they deserve. It has been 31 years since we last did this, and it is finally time that we get the general interest of this country to prevail over the special interests in Washington.

We know that this brings more fairness. We know that this increases take-home pay, bigger paychecks, and we know that this grows the economy and creates more opportunities.

Faster economic growth is not going to fix every problem America has, but faster economic growth is going to help us solve every problem America has.

Mr. Speaker, I ask my colleagues today to raise their gaze and do some things that we pass through the trees, to think about the people we are here to actually represent, to think about the people who are struggling, who are going to go to bed tonight and probably not sleep because they are worried about what is going to happen tomorrow. That is what this is. This is one of the most historic and the biggest things that we will ever do.

And the reason is because this is one of the biggest things we can do to improve people’s lives, to revitalize that beautiful American idea, to spread liberty and freedom. This is something that is going to give children hope in ourselves and our confidence in each other.

Enough settling. Enough giving in. Let’s start to reclaim our future right here in this moment, in this Chamber. In this moment, Mr. BRADY of Texas, Mr. Speaker, I yield back the balance of my time.

Mr. WENSTRUP. Mr. Speaker, more jobs, bigger paychecks, and fairer taxes. Those are the three big promises of the Tax Cuts and Jobs Act, and I am proud to lend my support.

This tax relief legislation serves as an opportunity for all American families to achieve the American dream—because it is crafted with working families and providing relief for the middle class in mind.

This bill does not reform and revitalize the tax code. I look forward to doing even more to assist American families and communities, ensure U.S. companies can fairly compete with foreign counterparts, and close existing loopholes in our laws. For years, our nation’s high corporate tax rate has created an unequal playing field for U.S. businesses to compete in global markets. By reducing rates and moving to a territorial system much in line those of our international competitors, we will incentivize companies to build investment here, thereby creating new jobs and increasing take-home pay for hardworking Americans.

Further compounding this problem is the ability, in some industries, for foreign-based competitors to exploit loopholes in the tax code to avoid taxes altogether. For instance, under current law foreign-based reinurers to transfer money, their profits to offshore tax havens, and thus shielded from our corporate tax rate, has essentially gutted the domestic reinsurance industry over the last two decades. Rather than allowing our domestic insurers to effectively compete, this uneven and unfair playing field instead promotes the use of foreign insururers to achieve a lower tax rate. This environment erodes the U.S. tax base to the tune of billions, and forces U.S. insurers to decide whether solely-domestic operations, which many have maintained for decades, is worth paying a higher effective tax rate. Mr. Speaker, these are not decisions that our tax code should force on job creators.

As our country competes with the rest of the world in the 21st century, it is essential that our tax policies offer opportunities for job creators in the United States of all sizes to grow, thrive, create jobs, and increase the take-home pay for all hard-working Americans so that they may thrive and seek their dreams.

In the U.S. economic engine drives forward, aided significantly by the passage of this historic legislation, we must also ensure that neglected and distressed communities are kept in mind. My district in southern Ohio has leveraged the New Markets Tax Credit (NMTC) and Historic Tax Credit (HTC) to bring hundreds of millions of dollars of investment to such areas, and the net result is thousands of permanent new jobs and housing units in my district alone.

Given the positive impacts these pro-growth credits had in my district and across the country, I was hopeful for the preservation of NMTC and HTC as my colleagues on the Ways & Means Committee crafted this legislation. While H.R. 1 would repeal both credits, the Senate’s proposal would retain the NMTC and a modified version of the HTC. I hope the House and Senate come to a productive solution in conference.

More broadly, I encourage my colleagues in the upcoming House and Senate conference process to produce a final version that will ensure our tax relief creates a level playing field for all competitors in an interconnected world, and realizes the vast potential of our nation’s overlooked communities.

Ms. ROYBAL-ALLARD. Mr. Speaker, on behalf of America’s future generations who will be saddled with an unsurmountable debt created by H.R. 1, the Republican Tax plan, I must object to it. This rushed piece of legislation will not only add more than $1.7 trillion to the national debt over the next 10 years, but it will also shift the burden of paying for that debt to our hard working families.

Despite our Republican colleagues’ assertions that this tax plan will benefit the majority of Americans, numerous economists disagree. They note that nearly 45 percent of all household with children will see a tax increase, while 80 percent of our wealthiest citizens will receive a tax cut by 2027.

Even more egregious, this tax bill seeks to eliminate the long-standing State and Local Tax deduction, subjecting every wage earner’s income to double taxation. This defeats the core intent of our hard working families.

The original tax code, drafted in 1913, consisted of three pages in its entirety and included the State and Local Tax deduction at the core of its responsible tax policy to ensure states and local governments could raise revenues for public schools, police, fire, and emergency services.

Plain and simple, this tax plan is a tremendous windfall for our wealthiest 1 percent and large corporations. It favors large businesses over small businesses, it favors sending jobs overseas rather than creating jobs at home, it favors the wealthy over hourly wage earners, and it pays for these tax cuts for the wealthy by raising taxes on our middle class families
to the detriment of Medicare, Medicaid, education, and other vital public services.

The fact is, Mr. Speaker, this bill is so skewed to benefit the wealthiest 1 percent in America that it could more accurately be named, “H.R. 1 percent” I urge my colleagues to support the 99 percent of Americans instead, and to oppose this plan. Vote no on H.R. 1.

Mr. BABIN. Mr. Speaker, today is a good day for hardworking Americans. We are considering legislation that will tax our paychecks to save, spend, and invest as they see fit.

Our bill—the Tax Cuts and Jobs Act—will overhaul our broken tax code and finally put the American taxpayer first. Because we can agree that hardworking taxpayers are the losers for hard-earned money.

That’s why we simplify the tax code and cut taxes for all Americans to ensure hardworking Americans—like the people I represent in Southeast Texas—can keep more of their paycheck to save, spend, and invest. Here are the details:

First, we get rid of loopholes. Then we use that money to lower taxes. And then, we simplify the code altogether.

Now, instead of seven confusing tax brackets and caveats, there will be just four—making things so simple that you can file your taxes on a postcard.

Importantly, we also double the standard deduction, increase the child tax credit, eliminate the Death Tax, and preserve the home mortgage interest deduction.

In addition—to help create more good jobs right here in America—we lower the tax rate on job creators from 35 percent down to 20 percent.

Today, many of America’s biggest job producers face the highest tax rate in the world— which makes America less competitive and forces jobs overseas.

We fix that in our bill—because we want companies to invest, grow and produce jobs right here in America. We lower the tax rate on the personal income earned by small businesses from 25 percent to 20 percent—the lowest tax rate on small business income since World War II.

Folks, let’s not forget. When we reformed the tax system over 30 years ago, it led to an explosion in jobs and economic growth.

With the passage of this bill, we will be on the verge of achieving such greatness again. This is an exciting time—and the American people deserve some good news.
ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (Mr. DUNN). The unfinished business is the question on suspending the rules and passing the bill (H.R. 3109) to designate the facility of the United States Postal Service located at 1114 North 2nd Street in Chillicothe, Illinois, as the “Sr. Chief Ryan Owens Post Office Building.”

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. Comer) that the House suspend the rules and pass the bill, H.R. 3109.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is in violation of the rules of the House.

SR. CHIEF RYAN OWENS POST OFFICE BUILDING

The SPEAKER pro tempore (Mr. DUNN). The unfinished business is the question on suspending the rules and passing the bill (H.R. 3109) to designate the facility of the United States Postal Service located at 1114 North 2nd Street in Chillicothe, Illinois, as the “Sr. Chief Ryan Owens Post Office Building.”

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A motion to reconsider was laid on the table.

APPOINTMENT OF MEMBER TO UNITED STATES CAPITOL PRESERVATION COMMISSION

The SPEAKER pro tempore. The Chair announces the Speaker’s appointment, pursuant to 2 U.S.C. 2081, and the order of the House of January 3, 2017, of the following Member on the part of the House to the United States Capitol Preservation Commission:

Mrs. Comstock, Virginia

COMMUNICATION FROM THE DEMOCRATIC LEADER

The SPEAKER pro tempore laid before the House the following communique from the Honorable Nancy Pelosi, Democratic Leader:

Hon. PAUL D. RYAN, Speaker of the House of Representatives, U.S. Capitol, Washington, DC.

DEAR SPEAKER RYAN: Pursuant to Section 5 of the Frederick Douglass Bicentennial Commission Act (Pub. L. 115–77), I am privileged to appoint Member to serve as a Commissioner to the Frederick Douglass Bicentennial Commission:

The Honorable Eleanor Holmes Norton of Washington, District of Columbia

And from private life:

Mr. Kenneth B. Morris, Jr. of Orange, California

Thank you for your attention to these recommendations.

Sincerely,

Nancy Pelosi, Democratic Leader

HOUR OF MEETING ON TOMORROW
Mr. ROE of Tennessee. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TAX CUTS AND MORE JOBS FOR MONTANANS
(Mr. GIANFORTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIANFORTE. Mr. Speaker, the Tax Cuts and Jobs Act will increase paychecks for hardworking Montanans, create Montana jobs, and unleash economic growth.

In fact, analysis from the non-partisan Tax Foundation finds the bill will create nearly 2,900 Montana jobs and will increase income for median Montana households by $2,200.

Hardworking Montanans will see a big tax break by cutting their rates and by doubling the standard deduction. Montana families will benefit from an increased child tax credit.

Today, only about one in four Montanans itemize their deductions—filling out stacks of paperwork for hours after saving piles of receipts. With tax reform, those days are over. Under the new plan, nine out of ten Americans won’t have to itemize to see their full tax benefit, and they will file their taxes on something like a postcard.

I am proud to vote to support tax reform that will create thousands of Montana jobs, ensure hardworking Montanans keep more of what they earn, and help small businesses.

SMALL BUSINESS SATURDAY
(Mr. O’HALLERAN asked and was given permission to address the House for 1 minute.)

Mr. O’HALLERAN. Mr. Speaker, I rise today to support Small Business Saturday on November 25.

Small Business Saturday takes place every year on the Saturday after Thanksgiving. It is a day for Americans to support their community and their local businesses. As a former small-business owner myself, I know the value that our small, locally owned businesses add to our local economy.

Arizona is the proud home of more than 500,000 small businesses that employ nearly 1 million Arizonans. These small businesses are the lifeblood of our local economies, and they are vital to the future of our communities. Our entrepreneurs are local community leaders. They hire local employees and they contribute to local causes. This holiday shopping season, we have the chance to show appreciation for our local businesses and all they do for our communities.

I encourage all Americans to go out and shop at their favorite local small businesses or dine at their favorite local restaurant and support Small Business Saturday on November 25.

BENEFITS OF TAX BILL
(Mr. HILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, I rise in support of H.R. 1, the Tax Cuts and Jobs Act.

With Chairman Brady’s leadership, my colleagues and I worked hard to combine our ideas to help Americans across the Nation have lower taxes, better careers, and more money in their family budget.

Over the past year, it has been a collaborative effort. I have listened to and worked with people and businesses about their ideas on tax reform from all across the Second Congressional District of Arkansas. With today’s vote, we are one step closer to reforming our broken Tax Code.

Over the past several months, we have worked to reduce families and let them keep more of their money. For businesses, we want to have a more competitive tax system that promotes investment, which will spur our economic growth and family prosperity.

According to the U.S. Chamber of Commerce, H.R. 1 will raise after-tax incomes for hardworking Arkansans by over $2,000. Furthermore, H.R. 1 benefits families by increasing the child tax credit to $1,600, instead of $1,000. That helps over 50,000 taxpayers in my district.

By passing this bill, it could lead to the creation of an additional 5,000 jobs.

HONORING THE LIFE OF STEVE MOSTYN
(Ms. JACKSON LEE asked and was given permission to address the House for 1 minute.)

Ms. JACKSON LEE. Mr. Speaker, I rise for the very sad task, as we begin the season of Thanksgiving, of announcing the passing of my dear friend,