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, this scam will force nearly half a 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 even more expensive for 800,000 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.

□ 0915

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 rest of 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 industry-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 these deductions go to millionaires and billionaires. So for my friends on the left, you can't have it both ways. You can't claim that Republicans are giving tax cuts to millionaires and billionaires 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 Chairman 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 vote ''yes.''

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

Mr. Speaker, this is a historic moment, but, most importantly, it is a missed 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 wanted 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.

Take a look at the distribution tables. That is the most certain opportunity for people to examine precisely what is in this legislation.

A gentleman earlier this morning was heralding Alzheimer's month. They give Alzheimer's a tax during Alzheimer's month. For those who stay together with loved ones for as long as they can, they need that deduction that is so important to keeping that family together.

This is the same old, same old. In 2001, tax cuts of $1.3 trillion all premised on maybe we will have economic growth.

Remember the argument that tax cuts pay for themselves?

Well, they, today, call it dynamic scoring. Now we are being asked again to premise the argument on maybe there will be enough growth to generate some return on revenue.

In 2003, another $1.3 trillion in terms of a tax cut was offered with no or slow economic growth.

And the granddaddy of them all, in 2005, how about repatriation?

Foreign earnings were brought back at 5¼ percent, all based upon the idea that there was going to be widespread broad-based hiring.

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, internship programs, and 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 House 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 heard from 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 pay 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 rates 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 that 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.

□ 0930

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

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 is on middle class tax relief.'' That is simply not true.

As the nonpartisan Joint Committee on Taxation said, roughly one out of every four Americans with income between $50,000 and $100,000 would pay 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 $73,000.

Even as modified in last-minute desperation, the wealthiest would receive 90 percent of the new tax break for so-called passthrough 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 excessive 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 around the global as well.

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 workers. Residence-based taxation is an idea we should continue to explore. We will continue to work on this issue with him as leadership.

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.

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 middle class, working, 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.

I, for one, refuse 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 seniors, our children, 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. BISHOP), one of the new members of the Ways and Means Committee who has really been a leader for families, small businesses, and industry.

Mr. BISHOP 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 hardworking 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 get up every morning and go 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 sell their homes.

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 caused our economy to go into a tailspin, a very serious tailspin.

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 highest to begin with, 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 our neighbors.

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 we are doing here today. 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 not 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 from the ground up.

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, home builders, and veterans groups are 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 middle class families in your district who one day may face a tornado or a hurricane—all to save a few dollars so that we can give a tax break to corporations.

We have a chance today to reject this bill, to 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 $2,300.

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

Mr. CURBELO 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 is overly cumbersome, wildly outdated, and riddled with special-interest loopholes.

Mr. Speaker, it is obvious there is a great deal of frustration and anxiety in our country. I truly believe it is due to the fact that the economic recovery has not reached every household. Throughout south Florida, I hear from families and small businesses who are worried about saving for their kids' college or making payroll.

While the stock market is humming and unemployment is low, wages have been stagnant, and the so-called recovery has left way too many people behind.

□ 0945

That is why this bill is so important.

This legislation will collapse and lower current tax rates to ensure a typical middle-income family in south Florida will receive about $1,500 in tax relief. For married couples, it doubles the standard deduction from $12,000 to $24,000, drastically simplifying the process of filing taxes each year for over 90 percent of Americans while allowing taxpayers to keep more of their hard-earned money.

The bill also expands the child tax credit from $1,000 to $1,600 per child, a benefit that will be seen by 43,768 taxpayers in Florida's 26th District, while we are also making it easier to save for college by expanding 529 plans to cover more expenses, including apprenticeship programs. All these benefits will directly help alleviate the increasing cost of raising a family.

On the business side, this bill gives American companies of all sizes, especially our smaller enterprises and entrepreneurs, a chance to compete and win in the new globalized economy. By providing businesses with lower tax rates, we will make it easier for job creators to invest here at home and increase paychecks for American workers.

Mr. Speaker, as a proud Member of the Ways and Means Committee, I commend Chairman BRADY, his staff, and the Members of this House who will soon support this once-in-a-lifetime opportunity to ensure we provide all Americans, especially the most vulnerable, the opportunity to find their economic success.

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.

Moving forward, I am hopeful we can work together to find creative solutions to better target the child tax credit to serve more Puerto Rico families and study the expanded use of the earned income tax credit for the Commonwealth. In addition, I look forward to continuing to work on solutions to ensure the businesses operating on the island have the certainty they need in terms of tax planning to hire more workers and strengthen Puerto Rico's economy.

Mr. NEAL. Mr. Speaker, 22,000 constituents of the gentleman from Miami's district will eventually face the Alzheimer's tax increase that is included in this legislation.

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, before I begin, I 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 and state perspective is very troubling. Some of the proposals to reduce taxes on corporate and pass-through business income could provide needed economic stimulus nationally and for states like Connecticut. Unfortunately, on balance, H.R. 1 is fundamentally flawed:

Even the low estimate of a $1.5 trillion cost is not paid for and is 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 in modern times.

Otherwise unaffordable tax cuts have long been part of a political strategy to ''starve the beast.'' Due to its long term unfunded cost, this Republican tax plan will compel big cuts in federal funding, such as Medicaid, that are important to states like Connecticut.

Contrary to all the talk of a ''middle income tax cut,'' the plan actually represents a huge windfall to the very wealthiest federal taxpayers and is truly regressive. For our own state of Connecticut, over 75% of the tax cut goes to the top 1% who would pay 8.5% less on average. Everyone else would see a trivial 1.2% reduction in federal tax liability and many will actually owe much more in federal income taxes.

As discussed more specifically below, the proposed plan shifts most of the tax cost and the least of any tax benefit to states in the Northeast, Great Lakes and West Coast regions of the country. Thus, Connecticut and similar states will even more disproportionately pay in federal taxes far more than is received in federal benefits—further subsidizing regions of the country where states make far less of a state and local tax effort.

Drilling down a bit further, several aspects of this partisan plan will hit especially hard:

Eliminating deductibility of state income tax paid is worth an estimated $8.7 billion to mostly middle income Connecticut taxpayers.

Capping deductibility of local property tax paid at $10,000 will increase federal income taxes for a significant proportion of Connecticut taxpayers who claim $4.9 billion.

Any benefit to lower and lower moderate income taxpayers from higher standard deductions and child care credits will likely be more than offset by the shell game of imposing a higher lowest rate bracket of 12% and replacing the current $4,050 personal exemption with a $300 deduction that is proposed to end in 5 years.

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.

Eliminating deductibility of student loan interest only adds a further financial burden for primarily younger taxpayers and their families already struggling with educational indebtedness.

Sadly, these and many other significant issues of fiscal irresponsibility and tax unfairness seem to be of no concern in the partisan rush to pass legislation before taxpayers see through the slogans and realize the costs. Indeed, glimpses of what may be in the Republican Senate version suggests that it will only get worse. Thank you for your efforts to speak out for our Connecticut taxpayers and set the record straight.

Sincerely,

KEVIN B. SULLIVAN,
Commissioner.

Mr. LARSON of Connecticut. Second, Mr. Speaker, I include in the RECORD a letter out of a cross section of constituents who are directly and adversely impacted by this tax increase.

MIDDLE CLASS CUTS

Ms. Diane Hebenstreit—West Hartford, CT 06107

I am a lifetime resident of Connecticut, and I ask that you do not vote for the proposed Federal Tax plan. From what I see, 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 concerned 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, I'll receive a $12,000 standard deduction, but loose the $4,050 personal exemption resulting in more of my income being taxed than under the current plan.

And at a higher rate! 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

Heidi Przybyla, USA Today: This economic growth that you all are promising, it cannot happen unless the cuts occur at the same time. In fact the Joint Committee on Taxation's economic model assumes that the type of tax cuts that you're doing now that are not paid for could actually be a drag on economic growth. Can you please speak to that?

Brady: The reason we moved back towards 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'. Not everyone is happy about that but that is what, sort of the tough choices you have to make, along with growth, to make sure this moves us toward a balanced budget.

Przybyla: But 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 model was in '86 for instance when Reagan did it. This model that I'm speaking of still assumes 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.

Brady: Here, one, there are a number of models on growth and I'm sure there will be a healthy debate, that's a good thing. 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 them. That's all part of the steps it takes to get us back to a fiscally responsible area. But I do know this, is you want to see continued deficits and debts, just stay with a slow growth economy like we saw the last ten years. We know what that produced.

Mr. LARSON of Connecticut. Mr. Speaker, I also 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, with its nearly 38 million members in all 50 States and the District of Columbia, Puerto Rico and the Virgin Islands, represents individuals affected by H.R. 1 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 equitable and efficient, promotes 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 the importance of—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 extra standard deduction for those ages 65 or older; improving access to, and targeted incentives for, workplace retirement saving plans, 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 the tax treatment of retirement contributions, which would have affected the ability or commitment of many tax filers to save for their retirement. AARP also remains committed to advocating for affordable, meaningful health care, including retention of the medical expense itemized deduction at 7.5%, preservation of tax exempt status of employer sponsored 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 According to 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, also according to JCT, the 73 million 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 taxes In addition, H.R. 1 will provide no 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 result of many policy changes made in H.R. 1, but a number of specific provisions disproportionately affect older Americans. Nearly three-quarters of tax filers who claim the medical expense deduction are age 50 or older and live with a chronic condition or illness. Seventy percent of filers who claim this deduction have income below $75,000. 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. These provisions, along with other proposals that more broadly affect the tax liability of millions of filers, such as the expiration of the new Family Flexibility Credit in 2023, and the partial repeal of the state and local tax deduction, result in little tax benefit to many older tax filers, and for others, a tax increase.

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 include dramatic cuts to Medicare, Medicaid and other critical programs serving older Americans. The Congressional Budget Office has now published a letter stating 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 must come from Medicare.

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 we 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 fall in this legislation.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, November 13, 2017.

Hon. STENY H. HOYER,
Democratic Whip, House of Representatives, Washington, DC.

DEAR CONGRESSMAN: This letter responds 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, specifically with respect to a sequestration—or cancellation of budgetary resources—in accordance with the Statutory Pay-As-You-Go Act of 2010 (PAYGO; Public Law 111–139).

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 generated by new legislation in estimated revenues and outlays over the next five years and ten years. If either scorecard indicates a net increase in the deficit, OMB is required to order a sequestration to eliminate the overage. The authority to determine whether a sequestration is required (and if so, exactly how to make the necessary cuts in budget authority) rests solely with OMB.

CBO has analyzed the implications of enacting a bill that would increase deficits by $1.5 trillion over a 10-year window, without enacting any further legislation to offset that increase. In accordance with the PAYGO law, OMB would record the average annual 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, that amount would be added to the current balances on the PAYGO scorecard, which for 2018, show a positive balance of $14 billion. (For years after 2018, the balances range from a $14 billion credit to a $1 billion debit.)

Without enacting subsequent legislation to either offset that deficit increase, waive the recordation of the bill's impact on the scorecard, or otherwise mitigate or eliminate the requirements of the PAYGO law, OMB would be required to issue a sequestration order within 15 days of the end of the session of Congress to reduce spending in fiscal year 2018 by the resultant total of $136 billion. However, the PAYGO law limits reductions to Medicare to four percentage points (or roughly $25 billion for that year), leaving about $111 billion to be sequestered from the remaining mandatory accounts. Because the 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, https://go.usa.gov/xnZ3U.)

Given that the required reduction in spending exceeds the estimated amount of available resources in each year over the next 10 years, 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 our distinguished chairman and, for the RECORD, state that a middle class family in the State of Connecticut, from 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 is 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 in New York and New Jersey, because we are donor States and because we make itemized deductions, we find ourselves in the situation where we are paying double taxation.

Don't take our word for it. Just ask a member of your own caucus. Ask PETER KING, who describes this as the most massive redistribution of wealth at the expense of teachers, machinists, and people who are of the professional class whom you have found that you want to tax their success.

But what adds insult to injury above all else, aside from being a donor State and double taxation, is the cruelest 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 $3,858 and grow jobs by 11,000 jobs.

Mr. Speaker, I rise to enter into a colloquy with the gentleman from Florida (Mr. CURBELO).

Mr. CURBELO, you and Resident Commissioner GONZÁLEZ-COLÓN have been tireless advocates for the Commonwealth of Puerto Rico. I appreciate the hard work you have done to help our fellow citizens on the island. I agree, this tax reform bill is a good first step, and I look forward to working with you on ideas to best serve the people on this island.

Mr. CURBELO of Florida. Mr. Speaker, I thank Chairman BRADY for that.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), who is one of the most thoughtful Members of Congress, a leader in the field of renewable energy, and my friend.

Mr. BLUMENAUER. Mr. Speaker, I include in the RECORD a letter from 17 environmental organizations opposing this legislation.

NOVEMBER 8, 2017.

DEAR REPRESENTATIVE, on behalf of our millions of members and activists, 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 lavish huge and permanent 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 across the country. The bill's debt-busting tax cuts for the wealthiest are sure to mean deep cuts to federal and state programs and safeguards that protect our air, water, lands, and wildlife that benefit people across this country every day. The plan puts at risk our clean energy future by preserving tax breaks for dirty energy sources while slashing them for cleaner forms of energy. And if the tax plan itself weren't harmful enough, it is also being packaged in the Senate with unrelated, controversial legislation that hands over the pristine and sacred Arctic National Wildlife Refuge to exploitation by Big Oil.

This plan steers most of its tax breaks to the wealthiest people in this country 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 slashing services and safeguards that our government provides, from healthcare to education to environmental protection. The health of communities across the nation will suffer if the Environmental Protection Agency is further hampered in its mission to protect public health and hold polluters accountable for violating laws like the Clean Air Act and Safe Drinking Water 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 of existing preferences for fossil fuels are eliminated—leaving more than $14 billion in permanent annual federal subsidies untouched. Despite rhetoric from GOP leaders that the tax code shouldn't pick winners and losers, this bill very clearly picks polluting energy sectors as winners yet again, putting at risk the impressive growth of clean energy and robbing us and our children of a cleaner future.

The GOP leadership's plan is to package this tax legislation in the Senate with unrelated, controversial legislation that would open up the iconic Arctic National Wildlife Refuge to drilling. This legislation would irreversibly damage one of America's greatest wild places and is only being included in a desperate attempt to secure enough votes in the Senate for tax cuts for corporations and the wealthiest Americans. The Arctic Refuge's spectacular landscape of rugged mountains, boreal forests, and wild rivers supports more than 250 species including polar and brown bears, musk oxen, and birds that migrate from all 50 states and 6 continents each year. The indigenous Gwich'in people call the refuge's coastal plain ''The Sacred Place Where Life Begins,'' an area that serves as the calving grounds for the Porcupine Caribou Herd which they rely on as a primary source of food, and for cultural and spiritual needs. This provision is being included in an attempt to generate $1 billion in government revenue to pay for the package's tax cuts for the wealthy, but multiple analyses show that it is unlikely to raise anywhere close to 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,

350.org, Alaska Wilderness League, Center for Biological Diversity, Clean Water Action, Earthjustice, Environment America, Friends of the Earth, Greenpeace, Hip Hop Caucus, League of Conservation Voters, Natural Resources Defense Council, Oil Change International, Public Citizen, Sierra Club, The Wilderness Society, Union of Concerned Scientists, Voices for Progress.

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 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 passthrough 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 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. What is going to happen is that, in 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 stunning 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 like this. It wouldn't stand 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 remain decimated, their paychecks were stagnant, and 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 return on a postcard. They can imagine a Tax Code swept of all the special interest loopholes. They can imagine a Tax Code 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 can offer is the politics of division, 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, the one 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.

Updated November 1, 2017.

Hon. PAUL RYAN,
Speaker,
Washington, DC.
Hon. MITCH MCCONNELL,
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,
Chairman, 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.

DEAR SPEAKER RYAN, MAJORITY LEADER MCCONNELL, LEADER PELOSI, LEADER SCHUMER, CHAIRMAN BRADY, CHAIRMAN HATCH, RANKING MEMBER NEAL, AND RANKING MEMBER WYDEN: We, the 103 undersigned religious and denominational organizations strongly oppose any effort to weaken or eliminate protections that prohibit 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. Houses 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 being both a tax-exempt 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 fights infiltrating 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. Particularly in today's political climate, such endorsements would be highly divisive and would have a detrimental impact on civil discourse.

Current law protects the integrity of houses of worship. If houses of worship endorse candidates, their prophetic voice, 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 morality and do good works within the community but may 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. Changing 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 taking 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 501(c)(3) organizations, including houses of worship.

Sincerely,

African American Ministers in Action; African Methodist Episcopal Church—Social 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 (AJC); Anti-Defamation League; Association of Welcoming and Affirming Baptists; B'nai B'rith International; Baptist Center for Ethics; Baptist Fellowship Northeast; Baptist General Association of Virginia; Baptist Joint Committee for Religious Liberty; Baptist Peace Fellowship of North America—Bautistas por la Paz; Baptist Women in Ministry; Bend the Arc: A Jewish Partnership for Justice; California Council of Churches IMPACT; Catholics for Choice.

Catholics in Alliance for the Common Good; Central Conference of American Rabbis; Christian Life Commission; Christian Methodist Episcopal (CME) Church; Churchnet, a ministry of the Baptist General Convention of Missouri; Colorado Council of Churches; Cooperative Baptist Fellowship; Cooperative Baptist Fellowship Heartland; Cooperative Baptist Fellowship Kentucky; Cooperative Baptist Fellowship of Arkansas; Cooperative Baptist Fellowship of Florida; Cooperative Baptist Fellowship of Georgia; Cooperative Baptist Fellowship of Mississippi; Cooperative Baptist Fellowship of North Carolina; Cooperative Baptist Fellowship of Oklahoma; Cooperative Baptist Fellowship of Texas; Cooperative Baptist Fellowship of Virginia; Cooperative Baptist Fellowship West; Disciples Center for Public Witness; Ecumenical Catholic Communion.

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; Hadassah, The Women's Zionist Organization of America, Inc.; Hindu American Foundation; Hispanic Baptist Convention of Texas; Interfaith Alliance; International Society for Krishna Consciousness (ISKCON); 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 Federations of North America; Jewish Women International; Kentucky Council of Churches; Mid-Atlantic Cooperative Baptist Fellowship; National Advocacy Center of the Sisters of the Good Shepherd; National Baptist Convention of America; National Council of Churches; National Council of Jewish Women; National Sikh Campaign; NETWORK 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; Religions for Peace USA; Religious Institute; Rhode Island State Council of Churches; Seventh-day Adventist Church in North America; South Carolina Christian Action Council; South Dakota Faith in Public Life; T'ruah: The Rabbinic Call for Human Rights; Tennessee Cooperative Baptist Fellowship; Texas Baptists Committed; Texas Faith Network; Texas Impact; Union for Reform Judaism; Unitarian Universalist Association; Unitarian Universalist Service Committee; Unitarian Universalists for Social Justice; United Church of Christ, Justice and Witness Ministries; The United Methodist Church, General Board of Church and Society; Virginia Council of Churches; Women of Reform Judaism; Women's Alliance for Theology, Ethics and Ritual (WATER).

FAITH VOICES,
August 16, 2017.

Representative RON KIND,
Washington, DC.

DEAR REPRESENTATIVE KIND: As a leader in my religious community, I am strongly opposed to any effort to repeal or weaken current law that protects houses of worship from becoming centers of partisan politics. Changing the law would threaten the integrity and independence 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 that we retain our independent voice. Current law respects this independence and strikes the right balance: houses of worship that enjoy favored tax-exempt status may engage in advocacy to address moral and political issues, but they cannot tell people who to vote for or against. Nothing in current law, however, prohibits me from endorsing or opposing political candidates in my own personal capacity.

Changing the law to repeal or weaken the ''Johnson Amendment''—the the section of the tax code that prevents tax-exempt nonprofit organizations from endorsing or opposing candidates—would harm houses of worship, which are not identified or divided by partisan lines. Particularly in today's political climate, engaging in partisan politics and issuing endorsements would be highly divisive and have a detrimental impact on congregational unity and civil discourse.

I therefore urge you to oppose any repeal or weakening of the Johnson Amendment, thereby protecting the independence and integrity of houses of worship and other religious organizations in the charitable sector.

Respectfully,
Wisconsin—

Rabbi Jessica Barolsky, Rabbi, Reform Judaism, Milwaukee, WI.

Pastor Kara Baylor, Director of the Center for Faith and Spirituality, Carthage College, Kenosha, WI.

Rev. RaeAnn Beebe, Pastor, St. Paul's United Church of Christ, Oshkosh, WI.

Rabbi Marc Berkson, Rabbi, Congregation Emanu-El B'ne Jeshurun, Milwaukee, WI.

Ms. Andrea Bernstein, Section President, National Council of Jewish Women—Milwaukee Section, Milwaukee, WI.

Rabbi Jonathan Biatch, Rabbi, Temple Beth El, Madison, Madison, WI.

Rev. Mary Anne Biggs, Pastor, First Congregational United Church of Christ, Eagle River, WI.

Coral Bishop, Treasurer, First Baptist 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, Saint Francis, 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, Shorewood, WI.

Rev. Glenn Danz, Pastor, St. Paul's United Church of Christ, Colgate, WI.

Mr. Steven C. Davis, Certified Lay Speaker/Leader, United Methodist Church of 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 Nonpartisanship, signed by more than 5,500 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; Cloverdale Playhouse, Montgomery; Community Foundation of Greater Birmingham, Birmingham; Community Grief Support Service, Birmingham; Coosa Riverkeeper.

Empowered to Conquer, Birmingham; Family Promise of Coastal Alabama, Mobile; First Light, Inc., Birmingham; Fraternal Order of Eagles; Friends of Shades Creek, Inc., Homewood; Gasp, 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; KB Consulting, Hanceville; Prichard Boxing Academy, Prichard; 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 Fundraising, Birmingham.

The Arc of Shelby 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, Anniston; Village Creek Society, Birmingham; Virginia Samford Theatre, Birmingham; Workshops, Inc., Birmingham.

Mr. KIND. Mr. Speaker, when I go to my church, South Beaver Creek Lutheran 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 as a country given how much we are self-segregating and deciding whom we like to hang out with, what clubs we 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 Committee 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.

□ 1000

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 all 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.

Seventy 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 around 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. PASCRELL), a great friend to all of us here in this institution.

Mr. PASCRELL. Mr. Speaker, before I start, I include in 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 terrible way. The other is an article in The New York Times today: ''Republican Tax Plans Put Corporations Over People.''

NATIONAL FRATERNAL ORDER OF POLICE,
Washington, DC, November 14, 2017.

Hon. PAUL D. RYAN,
Speaker of the House, House of Representatives, Washington, DC.

Hon. NANCY P. PELOSI,
Minority Leader, House of Representatives, Washington, DC.

Hon. MITCH MCCONNELL,
Majority Leader, U.S. Senate, Washington, DC.

Hon. CHARLES E. SCHUMER,
Minority Leader, U.S. Senate, Washington, DC.

DEAR MR. SPEAKER, SENATOR MCCONNELL, REPRESENTATIVE PELOSI AND SENATOR SCHUMER: I am writing on behalf of the members of the Fraternal Order of Police to urge you to protect the State and local tax (SALT) deduction in the current tax code. Our members put their lives and safety at risk to protect our homes, schools and communities. Their salaries and the equipment they use are paid for by State and local taxes on property, sales and income. These funds are then invested in our law enforcement agencies and the men and women serving in law enforcement.

The FOP is very concerned that the partial or total elimination of the SALT deductions will endanger the ability of our State and local governments to fund these agencies and recruit the men and women we need to keep us safe. In addition, our members are also citizens of these communities who work and pay these State and local taxes. The elimination of the SALT deductions, in whole or in part, will be deeply harmful to them and their families, effectively raising their taxes as much as $6,300 according to recent studies. The SALT deduction has been part of the tax code since it was originally drafted in 1913. Our members would certainly oppose any effort of the Federal government to tax their income twice by eliminating the SALT deduction.

On behalf of the more than 330,000 members of the Fraternal Order of Police, I urge Congress to preserve the SALT deductions, to reject any effort to eliminate, in whole or in part, these deductions and oppose the final bill if these deductions are included. I thank you in advance for your consideration of our views. Please feel free to contact me or my Senior Advisor Jim Pasco if I can provide any additional information on this important issue.

Sincerely,

CHUCK CANTERBURY,
National President.

[From the New York Times, Nov. 16, 2017]

REPUBLICAN TAX PLANS PUT CORPORATIONS OVER PEOPLE

(By Jim Tankersley)

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 that President Trump carried in 2016, particularly Florida and Texas. It allows for tax increases on millions of families several years from now, if a future Congress does not intervene, but not for 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 expense of added 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 plans 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 tax breaks 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 the bill on 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 the House bill, would add up to a large geographic transfer of income, according to research by Carl Davis, the research director of the Institute on Taxation and Economic Policy in Washington.

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 —Utah—would receive lower personal tax benefits under the bill than would be expected, given its share of national income, compared with 11 states won by his Democratic rival, Hillary Clinton. The average Clinton state would receive 82 percent of its expected benefits, by share of national income, under the plan. The average Trump 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 finance a core feature of both the 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 individual cuts and to a key tax credit for families in the House bill. The Senate bill also sets an expiration date on breaks for so-called pass-through businesses, whose owners pay taxes on profits through the tax code for individuals.

In Washington, Republicans have stressed that cutting corporate taxes will supercharge economic growth, accelerating 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 rate cuts will show up in their own paychecks, as the White House has claimed. 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 in 2012. ''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 of individual taxpayers, particularly 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 increases on 137 million tax filers in 2027 if Congress does not intervene first, according to calculations by Ernie Tedeschi, an economist at Evercore ISI. Liberals warn the shock would be huge for low- and middle-income families.

Republicans are ''making a choice as to which elements of their plan are permanent,'' said Jacob Leibenluft, a senior adviser at the Center on Budget and Policy Priorities and a former economic aide under President Barack Obama, ''and I think it's worth starting with taking them at face value.''

Canceling those looming increases would further add to the federal budget deficit, if the move is not paired with spending cuts. Middle-class families planning ahead can imagine two possible consequences from that decision: Either an immediate increase in their taxes eight years from now, or an explosion in federal budget deficits, which could necessitate spending cuts to safety net programs like Social Security and Medicare.

''The bill reflects talking out of both sides of your mouth at the same time—neither of 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 that they will not 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 come close. Ms. 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 this?

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, et cetera, 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 lowering taxes on 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 our Senate colleagues have 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. There is no greater servant 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 to the scandal in Alabama, 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 Streeter 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 keep flowing right into their pocket.

As for the deduction for student interest for those who are overwhelmed with college loans, like other middle-class 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 billion dollars-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 giant giveaway 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 probably 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.

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 we can pass in this Congress would do more to help more people than this one will.

I urge 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. DANNY K. 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.

NOVEMBER 15, 2017.

DEAR REPRESENTATIVE: On behalf of the three million members of the National Education Association (NEA), and the 50 million 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 to the wealthiest and corporations paid for on the backs of working families and students, and jeopardizes the ability of states and local communities to adequately fund public schools. Votes associated with 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 a number of respects this one tells working and middle-class families, students, and educators that they must sacrifice in order to further enrich the wealthy and corporations. We oppose the bill as currently crafted for several reasons outlined below.

A GIVEAWAY TO THE WEALTHY AND CORPORATIONS SETS UP DRASTIC 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 cost of the bill's 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 filers with 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 previews the next phase: future legislation to cut the growing deficit caused by tax cuts by demanding cuts to critical services that help working people, children, seniors, and others—Medicaid, Medicare, education, and more. In fact, some of this impact will be immediate. According to the Congressional Budget Office (CBO), without enacting subsequent legislation, the tax bill will trigger automatic spending cuts to pay for the tax changes under a ''paygo'' law. The CBO analysis concludes that Medicare would face an FY18 reduction of $25 billion with a remaining $111 billion to be sequestered from remaining mandatory programs.

Kansas provides a window into what this approach looks like. In 2012, the state's former governor pushed through similar massive tax cuts to individuals and businesses that allegedly would boost the economy. In reality, Kansas' job growth was anemic and the governor and legislature starved state services. Kansas cut funding for public schools, infrastructure, and other services, and scrambled to close a $350-million budget deficit. After voters spoke at the ballot box, lawmakers reversed course, raising taxes and overriding—in a bipartisan manner—the governor's veto. Rather than rushing forward with a partisan bill, Congress would do well to heed the recent lesson from America's heartland.

ELIMINATING SALT DEDUCTION IS A TAX INCREASE AND WILL DEVASTATE EDUCATION FUNDING

H.R. 1 would eliminate most of the state and local tax deduction (SALT)—taking money out of the pockets of as many 44 million middle-class families across the nation. While the bill hammers middle-class families on this, it oddly preserves the ability of businesses to deduct state and local taxes—yet another example of how the bill takes from working families to provide tax giveaways to those who are wealthier.

Eliminating any part of the state and local tax deduction could lead to a tax increase on middle class families and have a negative, ripple effect on the ability of states and local communities to fund public services, like education. That could translate into cuts to public schools, lost jobs to educators, and overcrowded classrooms that deprive students of one-on-one attention.

NEA conducted a detailed analysis of the plan to eliminate most of SALT. In total, education funding could take a $250 billion cut over the next 10 years and put up to 250,000 education jobs at risk. It is no secret what is likely to follow if Congress eliminates SALT. If there is any doubt, one need only to listen to what far-right groups like ALEC are saying right now. Their letter about the SALT deduction lays out their plan—to lobby for lower taxes at the state and local level. This means even fewer available funds for students and public education.

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 benefitting 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 Washington Post that the backdoor voucher plan is ''. . . a good step forward . . .'' in allowing public dollars to follow children to private school. Make no mistake. This poorly veiled voucher program will only benefit the wealthiest families who can already afford private school tuition at the expense of our students, communities, 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 MODEST 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 just two years ago, was claimed on 3.7 million tax returns in 2015. Almost every educator pays out of pocket for school supplies. The most recent study by the National School Supplies and Equipment Association (NSSEA) estimated that public school educators spent $1.6 billion of their own money during the 2012–2013 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 families. Under current rules, borrowers paying off education loans can annually deduct up to $2,500 of interest paid on student loans. H.R. 1 essentially raises the long-term cost of attending college by eliminating the deductions for interest paid on student loans. According to the IRS, over 12 million individuals claimed this deduction in 2015. Further, the bill eliminates a provision that allows universities to waive tuition for graduate students. Graduate students would be taxed on the value of that tuition as if it were income, making it almost impossible for many students to afford graduate degrees. In a time of rising college costs and skyrocketing student loan debt, it is unthinkable to take away provisions that assists students and families struggling to pay for college.

ELIMINATING SUCCESSFUL SCHOOL CONSTRUCTION BONDS PROGRAM

The Qualified Zone Academy Bond (QZAB) Program has proven to be an efficient and cost-effective way to help disadvantaged communities address pressing renovation and repair needs in schools. Investors receive a federal tax credit equal to the amount of interest payable on the bonds, thereby relieving local taxpayers and municipalities of the interest burden. A school that is awarded a QZAB may use the funds to renovate and repair buildings, invest in equipment, and update technology which are all vital to student well-being and success. Eliminating this program will only ensure that more and more students will go to school in yesterday's buildings with out-of-date technology and often unsafe, crumbling infrastructures.

PUTTING STATE AND LOCAL PUBLIC PENSIONS FUNDING AT RISK

Section 5001 of H.R. 1 could subject certain investment of state and local government pension plans to the unrelated business income tax (UBIT). Investment earnings pay for approximately two-thirds of state and local government pension benefits, which are taxed when distributed to participants. In addition to the revenue lost from the tax itself, subjecting these pension plans to UBIT could pose significant and complex compliance costs that could dramatically affect pension funds. Further, the UBIT will result in a drag on these critically important investment returns, sets a dangerous precedent for taxation of state entities, and will ultimately increase costs to taxpayers.

REWRITING THE TAX CODE SHOULD NOT BE RUSHED

In 1986, Congress undertook a yearlong, bipartisan effort to deliberately and carefully rewrite the tax code. Measured consideration should again be taken in understanding the near-term and long-term impacts a tax code rewrite will have on families, communities, and public services. Instead, Congressional leadership is rushing the process and putting forward a bill that further tilts the scale in favor of the wealthy and corporations, and paid for by working families. For all of the reasons outlined above, we urge you to Vote No on H.R. 1.

Sincerely,

MARC EGAN,
Director of Government Relations, National Education Association.

AMERICAN COUNCIL ON EDUCATION,
Washington, DC, November 6, 2017.

Re Higher Education Provisions in H.R. 1, the Tax Cuts and Jobs Act.

Hon. KEVIN BRADY,
Chairman, Ways and Means Committee, Washington, DC.
Hon. RICHARD NEAL,
Ranking Member, Ways and Means Committee, Washington, DC.

DEAR CHAIRMAN BRADY AND RANKING MEMBER NEAL: On behalf of the American Council on Education and the undersigned higher education associations, we write to express grave concerns with H.R. 1, the Tax Cuts and Jobs Act.

This legislation, taken in its entirety, would discourage participation in postsecondary education, make college more expensive for those who do enroll, and undermine the financial stability of public and private, two-year and four-year colleges and universities. According to the Committee on Ways and Means summary, the bill's provisions would increase the cost to students attending college by more than $65 billion between 2018 and 2027. This is not in America's national interest.

It is possible to offer tax relief to hard-working middle-class and lower-income

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. The order is not meant to reflect prioritization:

Sec. 1002: Changes to the standardized deduction, which will reduce charitable contributions to our institutions;

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: Changes to the state and local tax (SALT) deduction, which will reduce state budgets and, in turn, funding for public higher education;

Sec. 3601: Termination of private activity bonds; and,

Sec. 5103: Creation of a new excise tax on endowments at private colleges and universities.

Colleges and universities also have a number of concerns about other provisions that would negatively impact students by lessening charitable giving, limiting university-industry partnerships, and compromising educational quality.

TITLE I—TAX REFORM FOR INDIVIDUALS

SUBTITLE A—SIMPLIFICATION AND REFORM OF RATES, STANDARD DEDUCTION, AND EXEMPTIONS

Sec. 1002. Enhancement of the standard deduction

Colleges and universities are concerned that doubling the standard deduction for individuals and couples will reduce the number of taxpayers who itemize, significantly reducing the value of the charitable deduction and leading to a drop in donations to all nonprofits, including colleges and universities. For private nonprofit and public colleges and universities, the charitable deduction is vital for generating private support to higher education institutions to help achieve their educational missions of teaching, research, and public service. While the bill preserves a modest charitable giving incentive, its value would be significantly curtailed and charitable giving would decline to all nonprofits, which provide essential services to all Americans. We are disappointed that the bill did not include a proposal that would expand the charitable deduction to non-itemizers, like the universal charitable deduction.

SUBTITLE C—SIMPLIFICATION AND REFORM OF EDUCATION INCENTIVES

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

H.R. 1 would repeal the Lifetime Learning Credit, while 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 benefit under current law. 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 (particularly those seeking retraining), 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.

Sec. 1204. Repeal of other provisions relating to education

The legislation as written would repeal the current Student Loan Interest Deduction (SLID). Under current law, any individual with income up to $80,000 (or $160,000 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 taxable income, helping them afford a college education and providing an important benefit to many middle- and lower-income college employees.

Section 117(d)(5) is also an important provision that reduces the cost of graduate education and mitigates the tax liability of graduate students teaching and researching as part of their academic programs. Roughly 145,000 graduate students received a tuition reduction in 2011–2012. Repeal of this provision would result in thousands of graduate students being subjected to a major tax increase. The provision is also critical to the research endeavor at major universities, particularly in the crucial science, technology, engineering and math (STEM) fields. According to data from the Department of Education, 57 percent of tuition reductions went to graduate students in STEM programs.

Section 127 allows employers to offer employees up to $5,250 annually in tuition assistance, which is excluded from taxable income. This provision has been an important means of building and adding to the competencies of the workforce and is a critical tool to help our nation accelerate its economic growth.

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

SUBTITLE D—SIMPLIFICATION AND REFORM OF DEDUCTIONS

Sec. 1303. Repeal of deduction for certain taxes not paid or accrued in a trade or business

Changes to the state and local tax (SALT) deduction will 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 priorities. There has been 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 can lead to increased tuition and potentially cuts to state student financial aid programs, raising the cost of attending college for students and their families. History has shown that when states need to make cuts, support for higher education is often a primary target.

TITLE III—BUSINESS TAX REFORM

SUBTITLE G—BOND REFORMS

Sec. 3601. Termination of private activity bonds

H.R. 1 would eliminate private activity bonds, which are used by private nonprofit colleges and universities to finance capital projects. This repeal would essentially prevent institutions from using lower-cost tax-exempt bond financing. Higher borrowing costs can result in diminished investments in infrastructure, fewer jobs, reduced services, and increased service charges and other fees to students.

TITLE V—EXEMPT ORGANIZATIONS

SUBTITLE B—EXCISE TAXES

Sec. 5103. Excise tax based on investment income of private colleges and universities

H.R. 1 fundamentally changes the way nonprofits are treated by creating a new and unprecedented tax on endowments of some private colleges and universities. This provision undermines the very nature of the tax-exempt status of private colleges and universities. While the new excise tax is currently focused on private institutions, we strongly oppose this new excise tax and the precedent it sets for all of higher education.

Investment income from endowments is used every day to support nearly every aspect of an institution's operations, including all the components vital to its mission and the delivery of a high-quality, affordable education, from financial aid to research and student retention and success programs. An endowment is not a single entity that can be used for any purpose. Rather, it is a permanent investment fund consisting of often thousands of separate accounts designed for the needs of the present and the future. Under H.R. 1 potentially large amounts of endowment dollars would be redirected to the federal government, taking them away from providing scholarships to our students and supporting research and education. It also would effectively be a tax on donors' contributions and shift money from the dedicated purpose for the donation. Roughly 160 institutions will likely be affected by this provision, and we strongly object to it.

For all of these reasons, we cannot support H.R. 1 and strongly oppose the proposed changes outlined above.

Sincerely,

TED MITCHELL,
President.

On behalf of:

ACPA—College Student Educators International, American Association of Colleges for Teacher Education, American Association of Colleges of Osteopathic Medicine, American Association of Collegiate Registrars and Admissions Officers (AACRAO), American Association of Community Colleges, American Association of State Colleges and Universities, American Association of University Professors, American Council on Education, American Dental Education Association, American Psychological Association.

APPA, ''Leadership in Educational Facilities'', Association of American Colleges and Universities, Association of American Medical Colleges, Association of American Universities, Association of Catholic Colleges and Universities, Association of Community College Trustees, Association of Governing Boards of Universities and Colleges, Association of Jesuit Colleges and Universities, Association of Public and Land-grant Universities, Association of Research Libraries.

Association of Teacher Educators, College and University Professional Association for Human Resources, Consortium of Universities of the Washington Metropolitan Area, Council for Advancement and Support of

Education, Council for Christian Colleges & Universities, Council for Higher Education Accreditation, Council of Graduate Schools, Council of Independent Colleges, Council on Governmental Relations, Council on Social Work Education.

EDUCAUSE, Hispanic Association of Colleges and Universities, NAFSA: Association of International Educators, NASPA—Student Affairs Administrators in Higher Education, National Adult Learner Coalition, National Association for College Admission Counseling, National Association for Equal Opportunity in Higher Education, National Association of College and University Business Officers, National Association of Independent Colleges and Universities, National Association of Student Financial Aid Administrators, National Collegiate Athletic Association, The Council for Adult and Experiential Learning (CAEL), Thurgood Marshall College Fund, UNCF (United Negro College Fund), UPCEA.

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 directly results in cuts to Medicare and 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 3 minutes to the gentleman from Florida (Mr. BUCHANAN), chairman of the Oversight Subcommittee.

Mr. BUCHANAN. Mr. Speaker, I also want to acknowledge our incredible chairman and his leadership over the last 7 years I have been here and working this plan forward. It is an exciting time for all of us.

Mr. Speaker, I rise today in support of the Tax Cuts and Jobs Act, legislation to provide tax relief to middle class families and small-business owners across America.

As a businessman for more than 30 years, I have had the opportunity to employ thousands of workers. I have seen firsthand how broken our tax system can be for many hardworking Americans.

Under this bill, not only will the average family of four receive a tax cut, but small businesses will finally be taxed at a lower rate to help them expand and grow jobs in America.

According to the nonpartisan Tax Foundation, this bill will create 1 million new jobs and grow the economy by 4 percent, a growth rate this country hasn't experienced since 2000.

It is time to give all Americans a break in terms of their taxes. With passage of this bill, we will finally have the opportunity to help middle class families and get our economy back on track.

I urge support for this critical bill to cut taxes and reform our tax system.

Mr. NEAL. Mr. Speaker, I yield 2 minutes 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.

□ 1015

And when you take away healthcare from 13 million Americans and raise the cost for millions more because you needed another $300 billion to give more to corporate America, that is a hit on middle America.

And when 152,000 people from my community and millions more from New York lose 100 years of protection from 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. BRADY of Texas. 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 again, 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, it will likely 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 Chairman BRADY for this outstanding work.

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

Ms. DELBENE. Mr. Speaker, in this Ryan-McConnell 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.

Yet, under this plan, teachers, 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.

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 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. BRADY of Texas. 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, 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 our national security needs 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.

'' . . . only full 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 rate 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 than 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; and

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 just 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 where we are. A standpat hand is a nonwinning hand. The ability to move forward, the ability to absolutely not just participate in a global economy but dominate a global economy and give every single American the faith and a future and restore the faith they need to have in this body that we are doing the best thing in their interest every single day that we come here.

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 gentlewoman from California (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 huge giveaway. They 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 for those with 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 preexisting conditions losing access to lifesaving affordable coverage.

Then Republicans eliminate the State and local tax deduction, which is used by over 6 million California households, to prevent their hard-earned dollars from being taxed twice. Of all the States, Californians 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.

Three decades ago, there 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 hardworking middle class Americans. But then, as he 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 they are not CPAs.

If my three children were to ask me today if they should risk and start 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 hardworking 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.

□ 1030

Lowering the individual rate will give Americans the opportunity to choose where they want 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 highest 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 high 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 do.

This bill helps companies compete, hire more people, and give them a more competitive wage. This bill gives individuals more money to spend on what they want, not what the government wants. This bill simplifies the Tax Code for hardworking Americans.

Mr. Speaker, I urge my colleagues to support this historic reform so more Americans can choose where their money goes, not Washington.

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 to reject this misguided and mean-spirited tax bill that is being rushed through this Congress today.

Mr. Speaker, this Republican sham tax bill picks winners 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 include in the RECORD a letter from the National Farmers Union, which objects to this bill.

NATIONAL FARMERS UNION,
November 14, 2017.

CONGRESSIONAL TAX PLANS JEOPARDIZE THE FARM SAFETY NET, CBO ANALYSIS SAYS

For Immediate Release.

Contact: Andrew Jerome.

WASHINGTON.—Amidst the steepest drop in farm profitability in a generation, U.S. Congressional leadership is proposing tax reform legislation that would jeopardize all funding for farm bill commodity safety net programs.

The two tax bills being considered in both the U.S. Senate and the U.S. House of Representatives would add $1.5 trillion to the federal deficit. According to new Congressional Budget Office analysis of the bills, that $1.5 trillion deficit increase would need to be offset by eliminating all funding for vital farm programs such as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), among other mandatory federal spending programs.

"If Congress passes legislation that increases the deficit, they will subsequently be forced to cut federal spending. In the case of the tax bill, current law could require 100 percent sequestration of all commodity program payments and other farm bill programs," said National Farmers Union President Roger Johnson "Tax cuts for the highest income brackets should absolutely not come at the expense of programs that protect our nation's family farmers and ranchers."

The House and Senate budget resolution that was passed earlier this year paves the way for tax cuts that would increase the U.S. federal deficit by $1.5 trillion over ten years Statutory pay-as-you-go (PAYGO) rules require that increases in deficit spending be offset by reduced spending across non-exempt 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 across all non-exempt mandatory programs amounts to, in CBO's estimation, "only between $85 billion to $90 billion," meaning that all impacted mandatory spending programs other than Medicare, including the Commodity Credit Corporation (CCC), would be entirely stripped of funding.

The CCC is the second largest non-exempt mandatory program, after Medicare It funds dairy and other farm program payments, including ARC and PLC, both of which are critical for keeping family farmers and ranchers in business during times of economic uncertainty. Discretionary spending 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 through cuts to 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 livelihoods 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 only affects 5,500 households in America. And I can tell you, Mr. Speaker, none of those households are in my district.

In contrast, how will this tax bill impact the middle class? Mr. Speaker, 36 million middle class households will pay more taxes. One in four taxpayers will pay more taxes.

To pay for the corporate tax cuts, this bill will hurt working families. It will eliminate deductions on interest on student loans. It will eliminate medical expense deductions, which many, many households use to pay for long-term care needs. It will eliminate 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.

Hoosiers get it: no one should get a tax incentive to violate the law.

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 conferees 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 would tax graduate students on tuition wavers 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 will offset the eliminations of these education deductions. However, some reviews found that not to be true for graduate students.

IMPACT OF GOP TAX PLAN ON STUDENTS

(By Jenny C. Bledsoe)

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 students conducting research or teaching for a university (usually Ph.D. students on fellowship) 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 $24,000 will be taxed as if they are making $85,200. 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 ''tuition-paid'' 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 $7,194—despite the increase in the standard deduction—because of the newly taxable tuition waiver.

Tuition amounts vary widely depending on the institution, and the situation may be worse (or better) for some individuals, depending on tuition rates and stipend amounts. At Georgia Tech, full-time graduate student tuition for one semester is $6,894 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 to undergraduates.

Long-term effects are difficult to measure, but surely many lower-income students will no longer attend. It's unlikely that international students will be able to maintain a decent standard of living since they are often forbidden from taking on additional work.

The House GOP tax bill will lead to a ''brain drain,'' with international students and Americans alike seeking graduate study elsewhere or not all. In terms of personal finance, it will be extremely challenging (if not impossible) to meet one's basic needs—food, shelter—while pursuing a higher degree.

Unless . . . you're independently wealthy. This single line in a massive tax bill destroys lower- and middle-class young Americans' ability to pursue a professional career in 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 studies anyway 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 debt servitude. How is 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,
Washington, DC, November 3, 2017.

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 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. 5201 would allow a house of worship to endorse one or more candidates in all of its statements, presentations, and teachings made during ''religious services or gatherings.'' While current law applies to 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 prevent 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). Moreover, the Free Speech Clause of the First Amendment prohibits laws that engage in this type of viewpoint discrimination. *See Rosenberger v. Rector & Visitors of the Univ. of Va.*, 515 U.S. 819 (1995) (invalidating a subsidy 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 purpose;'' (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 and social issues. Church leaders are also completely free to support or endorse political candidates as private citizens. As an organization deeply committed since our founding nearly 100 years ago to protecting the free speech rights of all people, the ACLU would vigorously oppose any effort to chill the ability of houses of worship and religious leaders to speak out on what they see as the important issues of the day.

That does not mean, however, that religious organizations are entitled to receive special tax benefits and privileges that are unavailable to all other 501(c)(3) organizations. The ACLU strongly opposes Sec. 5201 and urges the removal of this unconstitutional provision from the so-called Tax Cuts and Jobs Act (H.R. 1).

Please feel free to contact Ian Thompson, legislative representative, with any questions.

Sincerely,

FAIZ SHAKIR,
National Political Director.
IAN THOMPSON,
Legislative Representative.

BAPTIST JOINT COMMITTEE
FOR RELIGIOUS LIBERTY,
Washington, DC, November 6, 2017.

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

DEAR CHAIRMAN BRADY AND RANKING MEMBER NEAL: On behalf of the Baptist Joint Committee for Religious Liberty (BJC), an 81-year-old agency serving 15 Baptist bodies on legal and policy matters relating to religious liberty and the separation of church and state, I write to express strong opposition to Section 5201 of the Tax Cuts and Jobs Act. This provision seriously undermines the independence and integrity of our houses of worship and denominations by creating an exemption to the partisan campaign prohibition that applies equally to all 501(c)(3) organizations. This attempt to encourage certain religious organizations to engage in partisan campaigning is constitutionally problematic following the Supreme Court's application of the Establishment Clause in Texas Monthly v. Bullock.

We are committed to ensuring that the free speech rights for houses of worship and members of the clergy are respected. We do not share the view that current law prohibiting 501(c)(3) organizations from participating and intervening in partisan candidate 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 in April, 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. 2357). The BJC 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 to change the way the law works now, and we are very concerned about the consequences of weakening the protection for houses of worship. For more than 60 years, all 501(c)(3) organizations have been required to refrain from partisan campaign involvement 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 be ''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 drives, host candidate forums, distribute nonpartisan education 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 that 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 survey—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 worship in 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 people I know 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 campaign intervention prohibition 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 put pressure on churches to become 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 also receive automatic 501(c)(3) tax status and are not required to file the Form 990 information return. Combining tax deductibility with these permissible accommodations for 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 expenses.'' 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.

Updated, November 1, 2017.

Hon. PAUL RYAN,
Speaker,
Washington, DC.
Hon. MITCH MCCONNELL,
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,
Chairman, 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.

DEAR SPEAKER RYAN, MAJORITY LEADER MCCONNELL, LEADER PELOSI, LEADER SCHUMER, CHAIRMAN BRADY, CHAIRMAN HATCH, RANKING MEMBER NEAL, AND RANKING MEMBER WYDEN: We, the 103 undersigned religious and denominational organizations strongly oppose any effort to weaken or eliminate protections that prohibit 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. Houses 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 being both a tax-exempt 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 fights infiltrating 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. Particularly in today's political climate, such endorsements would be highly divisive and would have a detrimental impact on civil discourse.

Current law protects the integrity of houses of worship. If houses of worship endorse candidates, their prophetic voice, 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 morality and do good works within the community but may 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. Changing 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 taking 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 501(c)(3) organizations, including houses of worship.

Sincerely,

African American Ministers in Action; African Methodist Episcopal Church—Social 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 (AJC); Anti-Defamation League; Association of Welcoming and Affirming Baptists; B'nai B'rith International; Baptist Center for Ethics; Baptist Fellowship Northeast; Baptist General Association of Virginia; Baptist Joint Committee for Religious Liberty; Baptist Peace Fellowship of North America—Bautistas por la Paz; Baptist Women in Ministry; Bend the Arc: A Jewish Partnership for Justice; California Council of Churches IMPACT; Catholics for Choice.

Catholics in Alliance for the Common Good; Central Conference of American Rabbis; Christian Life Commission; Christian Methodist Episcopal (CME) Church; Churchnet, a ministry of the Baptist General Convention of Missouri; Colorado Council of Churches; Cooperative Baptist Fellowship; Cooperative Baptist Fellowship Heartland; Cooperative Baptist Fellowship Kentucky; Cooperative Baptist Fellowship of Arkansas; Cooperative Baptist Fellowship of Florida; Cooperative Baptist Fellowship of Georgia; Cooperative Baptist Fellowship of Mississippi; Cooperative Baptist Fellowship of North Carolina; Cooperative Baptist Fellowship of Oklahoma; Cooperative Baptist Fellowship of Texas; Cooperative Baptist Fellowship of Virginia; Cooperative Baptist Fellowship West; Disciples Center for Public Witness; Ecumenical Catholic Communion.

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; Hadassah, The Women's Zionist Organization of America, Inc.; Hindu American Foundation; Hispanic Baptist Convention of Texas; Interfaith Alliance; International Society for Krishna Consciousness (ISKCON); 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 Federations of North America; Jewish Women International; Kentucky Council of Churches; Mid-Atlantic Cooperative Baptist Fellowship; National Advocacy Center of the Sisters of the Good Shepherd; National Baptist Convention of America; National Council of Churches; National Council of Jewish Women; National Sikh Campaign; NETWORK 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; Religions for Peace USA; Religious Institute; Rhode Island State Council of Churches; Seventh-day Adventist Church in North America; South Carolina Christian Action Council; South Dakota Faith in Public Life; T'ruah: The Rabbinic Call for Human Rights; Tennessee Cooperative Baptist Fellowship; Texas Baptists Committed; Texas Faith Network; Texas Impact; Union for Reform Judaism; Unitarian Universalist Association; Unitarian Universalist Service Committee; Unitarian Universalists for Social Justice; United Church of Christ, Justice and Witness Ministries; The United Methodist Church, General Board of Church and Society; Virginia Council of Churches; Women of Reform Judaism; Women's Alliance for Theology, Ethics and Ritual (WATER).

AMERICANS UNITED FOR SEPARATION OF CHURCH AND STATE,
Washington, DC, November 6, 2017.

Re Oppose Section 5201 of the Tax Cuts and Jobs Act, which Exempts Houses of Worship from the Johnson Amendment.

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

DEAR CHAIRMAN BRADY AND RANKING MEMBER NEAL: On behalf of Americans United for Separation of Church and State, we urge you to strip Section 5201 from H.R. 1, the Tax Cuts and Jobs Act. 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 while, at the same time, ensuring they are not pressured by political candidates and campaigns seeking their own political gain. Indeed, under current law, 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, but this provision 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. His church could then 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 the public 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 as applied to houses of worship. 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 "ordinary course" of the organization's "regular and customary activities" in carrying out its "tax-exempt purpose;" (2) whether it amounted to a "de minimis incremental expense," and (3) whether it took place during "religious services or gatherings." To determine whether the cost of any endorsement was a "de minimis incremental 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 religion, this bill actually threatens, rather than upholds, the autonomy and independence of houses of worship.

EXEMPTING 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 effectively repealing the Johnson Amendment for houses of worship.

Sincerely,

MAGGIE 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 get this massive payout in the neighborhood of $500 billion; hardworking families get pocket change.

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 will generate enough 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 impending 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 was 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, and 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 worker 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, finally, 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 LUJÁN).

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, and 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 medically 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 not the American Dream—that's a nightmare.''

This is real and this is personal to people all across the country. Let's vote this bill down today, come back, work in a bipartisan fashion, work with our ranking member, Mr. RICHARD NEAL, and come up with real tax reform that puts American working families first.

Mr. Speaker, let's do the right thing today and put hardworking families first with our decision today.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. MARCHANT), a key leader on the Tax Policy Subcommittee.

Mr. MARCHANT. Mr. Speaker, I thank the chairman for his leadership on this issue. It is an honor for me to serve on the committee.

Mr. Speaker, I rise today in support of H.R. 1, the Tax Cuts and Jobs Act. This is a historic opportunity to reject the status quo and provide real tax relief to the families, individuals, and businesses in my district.

America's Tax Code is broken. It is uncompetitive for American companies, and it is unfair to American workers. The American people deserve a Tax Code that works for them, not one that works for special interests in Washington. They deserve a Tax Code that rewards their lifetime of hard work, not one that squeezes and depletes their savings.

□ 1045

They deserve a Tax Code that prioritizes their goals, not penalizes their success.

The Tax Cuts and Jobs Act creates a Tax Code that is focused on growth, fairness, and a booming economy for everyone.

The reforms in this bill level 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 the committee 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. NEAL. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. SÁNCHEZ), a very thoughtful member of the Ways and Means Committee.

Ms. SÁNCHEZ. 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 a massive 15 percent tax cut, but what do working families get? They get nickeled and dimed.

Despite student loan debts surpassing $1 trillion, this bill eliminates the student loan interest deduction, which only allows those earning $80,000 or less to claim it in the first place, squarely hurting middle class Americans who are trying to pay off debt, save for a home, or buy a new car.

Teachers will no longer be able to deduct expenses for school supplies that they purchase with their own money for their classrooms, yet corporations are able to deduct the cost of those same supplies that they purchase.

Seniors and people with chronic illnesses would no longer be able to deduct some of the cost of their treatment. At a time when many families are feeling the pressures of affording care for their children and their aging parents, this bill takes money right out of their pockets.

Under this bill, 29 million households would lose their property tax deduction. Eighty percent of middle class homeowners would lose, compared with just 13 percent of high-income earners. Does that sound fair?

Finally, the elimination of the State and local income tax deduction disproportionately impacts middle-income families, especially those in California, whose residents would see an overall net tax increase of $12.1 billion.

The Tax Code is a reflection of our values. The Republicans have clearly chosen who they serve—the wealthy and corporations—but I am concerned about the 36 million Americans who will see a tax increase, teachers and their students, and people with preexisting conditions.

Mr. Speaker, I urge my colleagues to vote ''no'' on this disaster of a bill.

Mr. Speaker, I include in the RECORD two letters in opposition to this bill, one from SEIU and one from the AFL–CIO.

SEIU,
Washington, DC, November 6, 2017.

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

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

DEAR CHAIRMAN BRADY, RANKING MEMBER NEAL, AND MEMBERS OF THE HOUSE COMMITTEE ON WAYS & MEANS: On behalf of the two million members of the Service Employees International Union (''SEIU''), I write to strongly oppose H.R. 1, the misleadingly named ''Tax Cuts and Jobs Act.'' H.R. 1 would double down on the same failed trickle down policies that have hurt working families for decades. Once again, major legislation is being drafted behind closed doors, out of the view of the American people and without any input from Democratic members of Congress.

It is unconscionable that elected representatives would mark-up and jam through a bill that significantly affects the financial security of their constituents without appropriate time for non-partisan analysis and for all Americans to properly understand the real impacts on their everyday lives. There is no need to rush legislation of this magnitude through Congress due to artificial political timelines. Instead, there should be an open process by which all stakeholders including working people and not just corporate lobbyists are able to provide input.

Although this bill pretends to benefit the middle class, the tax cuts proposed under this bill would go overwhelmingly to high-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 buy homes.

For these reasons, SEIU urges you to oppose H.R. 1 and instead, work in a bi-partisan 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,
Washington, DC, November 14, 2017.

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 the poster child for the failed ''trickle-down'' economic theory that has never worked and has repeatedly stuck working people with the tab for tax giveaways for millionaires, big corporations, and Wall Street.

The Republican leadership wants to pay for these giveaways with drastic cuts to Medicaid, Medicare, education, and other programs that working people depend on. The price tag of H.R. 1 is $1.5 trillion over 10 years, while the budget resolution includes $5 trillion in budget cuts, including $1.5 trillion from Medicaid and Medicare.

H.R 1 would waste trillions of dollars on tax breaks for people who do not need them. According to the Joint Committee on Taxation (JCT), 45% of the tax benefits would ultimately go to households making over $500,000 per year; 38% 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 $64,720. 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 income and sales taxes, punishing states that make the kind of investments that create good jobs and starving communities of the funding they need for education, infrastructure, and other essential public services. H.R. 1 would repeal deductions for student loan interest, tuition expenses, and tuition assistance and end tax credits for students to cover college expenses, making it harder for students and their families to afford higher education at a time when tuition prices are at an all-time high. Under this bill, corporations could still deduct their payments to lawyers to fight unions, but union members could no longer deduct union dues and educators could no longer deduct their out-of-pocket expenses.

On the corporate side, H.R. 1 would give a giant tax cut to big corporations that outsource jobs. Under this bill, a business that creates jobs on Main Street USA would pay U.S. taxes on its profits at a rate of 20%, while a big corporation that outsources those same jobs to Ireland or Switzerland would pay no U.S. taxes on the profits it earns from outsourcing. Currently, the United States taxes all profits of U.S. corporations, whether earned in the United States or in a foreign country, at the same rate of 35% (though a corporation that earns profits in a foreign country does not have to pay U.S. taxes on those earnings until it repatriates them to the United States). H.R. 1 changes this system so a U.S. corporation never pays any U.S. income taxes on the profits it earns from active operations in a foreign country (as opposed to domestic profits that the company disguises as foreign profits through the use of accounting gimmicks). Reducing the U.S. tax rate on offshore profits from 35% to 0%—basically a subsidy to companies that outsource jobs—would cost $208 billion over 10 years. Even worse, the bill would encourage foreign countries that want to attract offshore investment to lower their corporate tax rate. The more foreign countries lower their corporate tax rates to attract offshore investment, the bigger the tax subsidy for offshoring this bill will provide. The GOP tax bill creates a powerful incentive for big companies to outsource jobs, and it is an incentive that will grow over time.

With regard to past profits, the Institute on Taxation and Economic Policy (ITEP) estimates that H.R. 1 would give multinational corporations a tax windfall of $529 billion, allowing them to get away with paying just $223 billion of the $752 billion they owe on accumulated offshore earnings. There is no economic case for discounted tax rates on profits already earned. The last time we gave companies a break on the profits they booked offshore, they used that money for executive bonuses and dividends. They did not use the money for creating new jobs, raises for workers, or investments in new factories or equipment. The top 15 companies to take advantage of the so-called ''tax holiday'' in 2004 laid off 20,000 workers in the subsequent two years. There is no reason to believe this time will be different. JPMorgan says, ''We expect little economic effect from firms repatriating funds to the U.S.''

The AFL–CIO urges you to oppose the Tax Cuts and Jobs Act (H.R. 1), which gives huge tax breaks to companies that outsource jobs and makes working people pay the price for tax giveaways to millionaires, big corporations, and Wall Street.

Sincerely,

WILLIAM SAMUEL,
Director, Government Affairs Department.

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 bill is the result of 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 so 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 lifeblood of western North Carolina's communities. We need them strengthened.

The same Tax Foundation study estimates that this bill will create nearly a million 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 that.

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 strong 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 control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

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 them their due. They announced 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 CHRIS COLLINS' district; a scam that will hurt students in Toms River, New Jersey, in TOM MACARTHUR's 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 to ship 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 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 the gentleman from New York an additional 15 seconds.

Mr. CROWLEY. Mr. Speaker, on behalf of hardworking Americans throughout this country, I say, vote ''no'' on H.R. 1, vote ''no'' on H.R. 1 percent.

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

Mr. ESTES of Kansas. Mr. Speaker, I thank Chairman BRADY for his efforts to get this tax reform bill done.

Our outdated and uncompetitive Tax Code has led to slow economic growth over the past decade in America. Today, we are taking an important step to fix that. The Tax Cuts and Jobs Act will reform the Tax Code and help foster economic growth.

For more than three decades, families have paid a growing cost for our country's increasingly complex and burdensome Tax Code that is chockfull of special interest loopholes. This is not fair.

The Tax Cuts and Jobs Act will simplify the process of filing taxes by doubling the size of the standard deduction and removing the need for millions to itemize their deductions. It will provide tax cuts to millions of middle-income working families.

The Tax Cuts and Jobs Act also includes many tax reforms for businesses in order to spur economic growth. The bill makes it easier for entrepreneurs to start businesses, and it brings down the corporate tax rate from 35 percent to 20 percent to be in line with our competitors around the world.

This will help spur economic growth by encouraging businesses to move their capital and jobs back to the United States and will help lower prices for Americans, who are the ones who ultimately pay for high corporate taxes through higher prices.

I'm proud that the Tax Cuts and Jobs Act is focused on growing the economy, bringing jobs back to Main Street, and increasing paychecks for workers. This bill is committed to helping families because the family unit is the cornerstone of our nation. We made a promise to families that we'd deliver them tax relief—and we're holding to it. The Tax Cuts and Jobs Act will fix our bureaucratic tax nightmare and puts families first again.

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 me 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 wanted 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-income families, will pay more—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 deductions for interest on student loans. This includes 12 million American families, 156,000 of whom are South Carolinians.

□ 1100

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.

Middle-income schoolteachers will pay more because the GOP scam eliminates their ability to deduct the cost of the supplies they purchase 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.

The bill we are considering today has many positive elements that will benefit our country in many ways. However, I am concerned about its impact on some of my constituents in Maryland who pay high State and local income taxes. I ask you, as the Ways and Means chairman, to continue to work with me to ensure that families and job creators in my district will all be helped by this legislation.

Mr. BRADY of Texas. Will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

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. LARSON of Connecticut. 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 once 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 that 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 raises taxes on 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 ever 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 to the Federal Government than what we get in return.

This will reduce or eliminate key deductions, such as curbing or eliminating deductibility of State and local taxes, mortgage interest deductions, college debt, student loans.

We are a high-tax State. This is a disaster. Scrap this disaster. Go back to the drawing board and write a bill which is fair to middle class taxpayers.

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

Mr. LARSON of Connecticut. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON LEE), the voice of Houston.

Ms. JACKSON LEE. Mr. Speaker, this is not the American Dream tax plan. This is the American nightmare, a tax scam of the worst proportion.

With over 8,000 of my constituents last evening on a teleconference town hall meeting, overwhelmingly they disagreed with a tax plan that cuts Medicare or Medicaid to finance tax cuts, eliminates the mortgage tax deduction, so that those who are suffering from Hurricane Harvey, trying to rebuild their lives, seeking a new home cannot, in fact, deduct their mortgage.

The same thing with the 200,000 Texans who are going to pay more because we are eliminating the deduction for State and local taxes, and eliminating deductions for student loans, casualty losses; by next year, $25 billion in Social Security cuts.

My seniors on the phone last night asked me about those cuts. They asked me about the medical expenses cuts for seniors. All of that is eliminated.

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 said no.

(3) The current tax code allows homeowners to deduct interest on mortgages. Would you support a tax plan that includes a reduction in credit 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 wealthy corporations and the top one percent because it raises taxes on poor, working, and middle class families; explodes 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 a bad idea to lower the corporate tax rate from 35 percent to 20 percent.

This Republican tax plan is even 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 details.

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 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. 45 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.

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 180 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 total 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 to corporations and individuals who do not even need it.

Mr. Speaker, the tax scheme presented here by Republicans is not a plan but a scam that represents a betrayal of our values as a nation.

This tax scam is not a revenue policy adapted for the real world that real Americans live in but a fantasy resting on the monstrous belief that the wealthy have too little money and that poor, working, and middle-class families have too much.

Our Republican friends continue to cling to the fantasy belief that their tax cuts for the rich will 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 or well-being 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 the 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, our 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 join me on the right side of history 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.)

Ms. JACKSON LEE. Mr. Speaker, I include in the RECORD The Washington Post op-ed, "The Republican tax plan's five worst dangers," by Secretary Rubin, dated November 15, 2017.

[From the Washington Post, Nov. 15, 2017]

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 change. 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 rate would be roughly zero, counting 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 0.1 percent to 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 induce people to work more. Second, 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 debt of the federal government 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.

Adding $1.5 trillion or 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 have been estimated to increase to roughly 97 percent in 2027 and 160 percent in 2047. These estimates likely substantially understate the worsening of our fiscal trajectory. That's because 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 professed concern of many tax-cut proponents—would continue to decline as debt rises, because of 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/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 mitigating factors 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 sound economic 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 resumes, the time remaining will be 17 minutes for the gentleman from Texas (Mr. BRADY) and 12½ 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. 4374. 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 antitrust 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 (at 11 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, 29½ 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 12½ 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 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 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. I yield to the gentleman.

Mr. BRADY of Texas. Mr. Speaker, I am pleased to work with the gentleman from Alaska (Mr. YOUNG) on this important issue for the Alaska 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 intention. 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