



COMMITTEE ON
WAYS & MEANS
REPUBLICANS

TOP 10 REASONS TO OPPOSE DEMOCRATS' WAYS & MEANS RECONCILIATION BILL

- 1. Raising America's corporate tax rate to 26.5 percent, higher than China's and one of the worst rates in the world, will drive American jobs, manufacturing, research and IP overseas – reversing the gains of the GOP Tax Cuts & Jobs Act.** After TCJA \$1.5 trillion of U.S. profits flowed back into America, the highest number of manufacturing hires since 2007 (390,000 in July 2018), research surged 25 percent and America recaptured the title of world's most competitive economy.
- 2. Democrats' changes to America's international tax laws will favor foreign companies over U.S. companies.** This will take our country back to the bad old days under Obama-Biden when American companies were routinely forced by the outdated U.S. tax code to relocate their plants, workers, and headquarters overseas – devastating local communities.
- 3. Small businesses struggling to get back on their feet after COVID will get hammered with crippling tax hikes.** Higher 39.6 percent income tax rates (which is where most small businesses pay taxes), higher 25 percent capital gains rate (which impacts their ability to invest/attract capital), limits to the GOP-created 20 percent Small Business Deduction, expansion to small businesses of the ACA net investment tax of 3.8 percent, reversing the larger Death Tax exemptions for family-owned farms and businesses, and imposing new costs on small businesses with more than five employees that don't offer a Washington-approved retirement plan.
- 4. Low-Income & Middle Class Tax Hikes.** Both Congress's own non-partisan scorekeeper the Joint Committee on Taxation (JCT) and the Left-leaning Tax Policy Center that found that workers will shoulder the burden of business tax hikes. According to JCT, within 10 years of a corporate tax increase, two thirds of the tax burden are borne by lower- and middle-income taxpayers – plus lower wages. The Tax Policy Center found that President Biden's overall plan will raise taxes on 75 percent of middle-class families next year, rising to 95 percent of middle-class families over the long term. The bill also includes \$98 billion in higher tobacco and vaping taxes which land predominantly on low-wage and middle-income taxpayers.

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5. **Tax breaks for the wealthy.** A family making \$800,000 a year is eligible for a direct government check of \$12,500 to buy a luxury electric vehicle priced as much as \$74,000. A couple making \$500,000 a year in Oklahoma, for example, is eligible for nearly \$6,000 in Affordable Care Act health subsidies. A household making \$500,000 a year is eligible for more than \$28,000 in paid family leave benefits – every year. And... Democrats give a special tax break to America’s wealthiest private universities with overflowing endowments – some of which, the *New York Times* reports, are padded by hiding assets and income in overseas tax havens.
6. **Tax breaks for unions.** Following the \$83 billion bail-out of failing union-run pensions in President Biden’s February “COVID stimulus,” Democrats grant higher tax subsidies to electric vehicles made in union plants and to Green New Deal renewable projects that pay artificially high Davis-Bacon union wages. Democrats also create a new permanent \$250 yearly tax credit for union dues – forcing the 90 percent of Americans who don’t belong to a union to subsidize the dues of those who do.
7. **Billionaires Over Bartenders.** Democrats are planning on repealing the \$10,000 SALT cap before the reconciliation bill heads to the House floor. Most of the repeal – which could cost up to \$440 billion – goes to cut taxes for individuals making more than \$1 million a year. None goes to the 90 percent of Americans who don’t itemize their taxes, so occupants of the penthouse cheer while the building janitor gets nothing. Repeal also gives a green light to blue-state governors and mayors to raise state and local taxes even brutally higher on families and businesses.
8. **Fewer Cures, Less Hope for Patients.** Democrats offer a dangerous and false choice: lower prices on drugs now, fewer life-saving drugs in the future. This isn’t up for debate – it’s a fact from numerous sources. A University of Chicago analysis found the Pelosi drug plan “would lead to a 29 to 60 percent reduction in R&D from 2021 to 2039 *which translates into 167 to 342 fewer new drug approvals during that period.*” Any cure lost is one too many. Democrats rejected amendments to preserve access to cures for rare diseases and cures to help alleviate the racial health disparities that were so apparent during the COVID-19 pandemic.
9. **Subsidizing Big Business with Government Checks.** Democrats create a massive new entitlement program that burdens small employers but rewards big business with a Universal Paid Medical and Family Leave cash benefits program run by the IRS. Unbelievably, taxpayers will now pick up 90 percent of the cost of paid leave for corporations *who today pay for the benefit for their workers.*

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10. The largest expansion of the welfare state in our lifetime. Democrats are creating two new entitlement programs that disconnect government benefits from work. From paid family leave that doesn't require individuals to be employed to get benefits, to a child care "guarantee" and monthly "cash for kids" child tax credit, individuals get paid to stay on the sidelines, with no expectation or incentive to work or move up the economic ladder.

OH....and an extra reason:

11. Attack on US investment infrastructure. By raising capital gains taxes, increasing individual tax rates, and expanding a new 3 percent investment surtax on small businesses, Democrats undermine America's successful investment infrastructure that rewards investment here in the U.S. – shifting investment decisions to Washington from individuals and the local community.

Coming out of COVID, Americans Oppose Tax Hikes. A recent poll by the Winston Group found that by a 2:1 margin voters believe that keeping tax cuts in place would help economic recovery more than repealing tax cuts (51 percent-24 percent). Moreover, a majority of Americans (51 percent) believe the Democrats' \$3.5 trillion tax-and-spend plan will make inflation worse.