



COMMITTEE ON
WAYS & MEANS
REPUBLICANS

Crippling Tax Hikes, Welfare Expansion, and Washington-Controlled Health Care in President Biden's Framework

Health

Universal, Untargeted Entitlement Expansions

- Democrats' policy to extend expanded ACA subsidies until 2025 will overwhelmingly benefit wealthier Americans more than the vulnerable and spend billions of taxpayer dollars to subsidize people who already have insurance.
- Sending larger giveaways to big insurance companies serve only to paper over ever increasing health care costs with ever increasing spending.

Adding Junk Benefits to Our Unsustainable Medicare Program

- Medicare is going broke, and the result is a slowly crumbling social safety net failing our seniors. Democrats are now adding junk benefits to Medicare, and harming seniors' choices.
- Instead of undermining Medicare plans with junk benefits, this Congress should focus on making it easier for seniors to choose Medicare Advantage where hearing care access is not a problem.
- In Medicare Advantage, private plans compete for seniors' business and deliver lower costs and higher quality— including better supplemental hearing benefits.

Budget Gimmicks

- In November 2020, then-President Trump finalized a rule that would require drug discounts negotiated in the Part D program to be delivered to seniors at the pharmacy counter instead of being used to reduce premiums across the program.
- Democrats' opposed President Trump's rebate rule, but never withdrew it because they were waiting to spend these "fake" savings generated by repealing (or delaying) the rule.
- OMB is now an offset factory: administrations can continue to develop fake rules they have no intention of implementing, so their party allies in Congress can repeal them and spend the "money."
- This is fiscal malpractice.

Oversight

Giving the IRS unlimited authority to hire 87,000 new IRS agents to target families, farmers, and small businesses

- Democrats are targeting families, farmers, and small businesses as though they are tax cheats, rather than target high-income individuals or big corporations. Nonpartisan CBO [analysis](#) assumes that, under the President's proposal, audit rates would "rise for all taxpayers"—including EITC recipients and those of other lower and middle-income workers.
- Democrats are playing a shell game with numbers. First, they estimated that a supercharged IRS would bring in \$265 billion; now they are claiming \$400 billion, even though CBO has [made clear](#) the proposal would only collect \$120 billion.

Worker and Family Support

Democrats' framework turns the GOP-created Child Tax Credit (CTC) into a permanent cash for kids welfare without work program.

- The proposal released today includes a one-year extension of the increased and fraud-ridden CTC through 2022.
- However, it also includes "permanent refundability" meaning the credit would be disconnected from work with no expiration date.
- This means 5 million non-working households with children would continue receiving "no strings attached" welfare checks in perpetuity, making the IRS America's No. 1 welfare agency.
- Providing endless government checks that pay more to stay at home than to work hooks a new generation on government dependency.
- Democrats' untargeted welfare-without-work policies are holding back our jobs recovery by forcing Main Street businesses to compete with government benefits to fill record job openings.
- With more than 10 million job openings and inflation rising, the country can't afford to relegate an entire generation of workers to the sidelines.
- Even Senator Manchin has conditioned his support for the credit on including a work requirement.

Select Revenue Measures

Minimum tax on U.S. companies harms American consumers and workers

- This tax on anything "Made in America" would ensure that more of the everyday things we use are made in China and delivered on container ships.
- Democrats' plan would also punish businesses that specifically suffered during the pandemic.

Unvetted stock buybacks tax will reduce retirement security for seniors

- Creates a third layer of tax on American companies—harming seniors and other savers.
- Democrats punish companies for returning value to retirees, 401(k) plans, or pension plans with a punitive tax.

International tax increases that make it better to be a foreign company or worker

- Democrats' global tax plan offers foreign countries a sweetheart deal: American companies will pay a global minimum tax rate many points higher than the 15 percent rate the Biden Administration will allow for other countries.
- This economic surrender will make Americans less competitive and will drive manufacturing, research, and investment overseas.

Punish success with new surtax on entrepreneurs and investors

- This surtax undermines America's successful investment infrastructure that rewards investment here in the U.S. – shifting investment decisions to Washington from individuals and local communities.
- The result will be fewer jobs, lower wages, and less growth.

Over \$400 billion in small business tax hikes

- Millions of Main Street job creators will be left shouldering the burden of Democrats' small business tax hike.
- The majority of the more than 30 million small businesses in the U.S. are pass-through entities like LLCs or S Corps – all of which are directly in the crosshairs of these tax increases.