MEMBER SUBMISSIONS FOR THE RECORD

CONGRESSMAN DON BACON
2ND DISTRICT, NEBRASKA

COMMITTEE ON
ARMED SERVICES

COMMITTEE ON
AGRICULTURE

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

February 4, 2025

The Honorable Jason Smith
Chairman
U.S. House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

RE: Member Day Hearing on Matters Within the Committee's Tax Jurisdiction

Dear Chairman Smith,

I appreciate the opportunity to provide comments regarding tax priorities under the jurisdiction of the Ways and Means Committee (Committee). ***America's families and businesses need long-term stable tax incentives to provide the financial certainty needed to support their families and make investments to improve their businesses and create new industries.*** I would like to submit for the record my support for tax credits having the greatest impact on individuals and businesses in Nebraska's Second District.

As the Committee begins its work to renew the Tax Cuts and Jobs Act (TCJA) and to review energy credits provided in the Inflation Reduction Act, I respectfully request the Committee consider making some of the sunsetting TCJA provisions permanent and preserving some of the energy credits in the IRA. Individuals and businesses in my district have benefitted greatly from tax provisions in both statutes.

In support of Nebraska's families, I support making the TCJA Standard Deduction permanent, keeping the $10,000.00 State and Local Tax deduction (SALT) for single filers in place and I recommend adding a $15,000.00 deduction for those filing as married. I also support making permanent the $2000.00 Child Tax Credit, the Estate and Gift Tax and the Achieving a Better Life Experience Accounts (ABLE accounts) provision. These tax incentives have had a positive impact on the lives of everyday Nebraskans.

In support of Nebraska's businesses, I support making permanent the Pass-Through Business Deduction (Section 199A Deduction), the Immediate Expensing provision, the Qualified Opportunity Zones provision and the Employer Credit for Paid Family and Medical Leave provision. These tax incentives have contributed to the success and continuity of Nebraska's business and agriculture communities.

I also urge your support in preserving the federal tax-exemption for municipal bonds, a critical tool that enables state and local governments to fund essential infrastructure projects efficiently and affordably. It is vital to recognize the profound benefits that tax-exempt municipal bonds provide to our communities and constituents.

President Trump recently declared a National Energy Emergency, releasing his energy agenda which includes a plan to unleash U.S. energy production, utilizing all available resources. The goal is to restore American prosperity and rebuild our Nation's economic and military security. ***I want to highlight tax credits from the Inflation Reduction Act (IRA) that are already driving transformative investments in Nebraska and across the country***. ***Nebraska companies*** have numerous projects in various stages of development utilizing IRA tax credits. Prematurely repealing energy tax credits, particularly those utilized

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2ND DISTRICT, NEBRASKA

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to justify current investments, would undermine private investments and curtail ongoing development in Nebraska and across the country. A full repeal would create a worst-case scenario where billions of taxpayer dollars already spent and/or received would be wasted.

The following IRA Energy Credits are priorities in my district: **Section 45Q**: Credit for Carbon Sequestration, the Department of Energy (DOE) **Carbon SAFE Program**, **Section 45Y**: Technology-Neutral Tax Credit for Production of Clean Electricity, **Section 48E**: Technology-Neutral Tax Credit for Investment in Facilities that Generate Clean Electricity and Qualified Storage Technologies, **Section 45V**: Qualified Clean Hydrogen Tax Credit. ***I would also like to highlight the "Adder Priorities***": **Section 48**: Domestic Content, **Section 48C**: Advanced Energy Project Credit, and **Sections 48(e) & 48(h):** Low-Income Communities Bonus Credit. Any efforts to significantly reduce, phase out or eliminate these IRA tax credits should include clear executable pathways to grandfather projects through continuous works or safe harboring to protect business investments already made and American tax dollars already spent.

In addition, I respectfully request the Committee to consider the inclusion in the upcoming tax policy, five tax bills I reintroduced in the 119th Congress: Tip Tax Termination Act, Overtime Pay Tax Relief Act, Seniors in the Workforce Tax Relief Act, Second Job Tax Relief Act and the Working-Class Bonus Tax Relief Act. Inclusion of my bills in the upcoming tax legislation would enable Americans to keep more of their hard-earned money in their pockets to support their families.

In conclusion, these tax priorities are designed to protect our families, bolster our economy, encourage innovation, and ensure consistency within our tax system. I urge this Committee to consider these points as they move towards crafting a tax policy that reflects our nation's needs and values.

Thank you for the opportunity to contribute. I look forward to working with you on these vital issues and to further engagement with the Committee.

Sincerely,

Don J. Bacon

Don Bacon
Member of Congress

Nikki Budzinski
13th District, Illinois

Washington Office
1009 Longworth House Office Building
Washington, DC 20515
(202) 225-2371

Springfield Office
133 South 4th Street, Suite 300
Springfield, IL 62701
(217) 814-2880

Congress of the United States
House of Representatives
Washington, DC 20515

House Committee on Agriculture

Conservation, Research,
and Biotechnology;
General Farm Commodities,
Risk Management and Credit;
Commodity Markets, Digital Assets,
and Rural Development

House Committee on Veterans' Affairs
Health

February 5, 2025

The Honorable Jason Smith
Chairman
House Committee on Ways & Means
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
House Committee on Ways & Means
1129 Longworth House Office Building
Washington, D.C. 20515

Chairman Smith and Ranking Member Neal,

Thank you for the opportunity to provide input to the Ways & Means Committee (the "Committee") on my priorities under the Committee's tax jurisdiction for the 119th Congress. With the upcoming expiration of the Tax Cuts and Jobs Act (TCJA), this Committee – and the Congress as a whole – has a special opportunity to make impactful changes to our nation's tax policy to boost American competitiveness.

The first bill I introduced after being elected to Congress was the bipartisan Leveraging and Energizing America's Apprenticeship Programs (LEAP) Act. The LEAP Act would provide employers with a $1,500 tax credit for each apprenticeship employee they hire. As an offset, the bill requires the Office of Management and Budget to coordinate with federal departments and independent agencies to devise a strategy to reduce wasteful government printing costs for a 10-year period.

Studies have shown that registered apprenticeship programs, which are career training alternatives to college, dramatically increase upward economic mobility for workers and can lead to family-sustaining jobs. Indeed, across all industries, apprentices earned on average $18 per hour at the time of entry and $32 per hour upon completing their programs – a growth of 77 percent.

In addition to helping families fight higher costs, the legislation would help employers offset the cost of hiring highly qualified, competent workers – especially important as skilled trades continue to prove essential for economic growth. Congressman Mike Carey of Ohio is the Republican lead on the bill, and we are currently working on making adjustments to the legislation to help maximize value to employers and apprentices while lowering the overall cost to taxpayers. We look forward to reintroducing the bill in the coming weeks. I encourage the Committee to incorporate the LEAP Act in any tax-related legislation put forth this Congress.

I also want to highlight the bipartisan Tools Tax Deduction Act, which would allow apprenticeship employees and construction workers to write off the expense of the tools and equipment required for their profession. Specifically, this legislation would establish an above-the-line deduction for employees if such deductions are for construction tools, personal protective clothing, and gear or other expenses in connection with their employment.

Alongside President Trump's "No Tax on Tips" proposal, this bill removes tax penalties on workers who are simply doing their jobs. I aim to reintroduce this bipartisan legislation in the coming months, and I encourage the Committee to consider this bill in any tax-related package under review this Congress.

Lastly, I want to echo my Republican colleagues' calls to maintain and strengthen the 45Z Clean Fuels Tax Credit. The 45Z tax credit has already driven massive investments in biofuels infrastructure across the Heartland, with ethanol and biodiesel businesses building out new facilities, investing in carbon dioxide transport infrastructure, and continuing to grow their partnerships with local farmers. Our growers and producers stand to benefit from a strong 45Z tax credit, and I encourage the Committee to not only maintain the tax credit in any forthcoming tax legislation, but also to extend it to a full 10-year tax credit when the opportunity comes.

Again, I very much appreciate the opportunity to provide testimony to the Committee about these important tax priorities this Congress. I look forward to working with you on these and other critical issues that impact working families across our country. If you have any questions, please do not hesitate to contact me or my staff.

Sincerely,

Nikki Budzinski
Member of Congress

I am Congressman Eric Burlison, and I represent the seventh district of Missouri. I previously served as a board member for the Missouri Consolidated Health Care Plan, the primary health plan for Missouri's public employees, responsible for buying and managing the health insurance of more than 100,000 people. From this, I came to learn the fundamental cost-saving value of pharmacy benefit managers (PBMs). Any plan sponsor, whether employers, government agencies or unions, can voluntarily hire PBM's to negotiate concessions on their behalf against large drug companies – and to provide them flexible options to design prescription drug benefits that best meet the needs of the people and families whose coverage they support.

Serving as a steward of Missouri's state employee plan, I witnessed firsthand how working with a PBM dramatically drove down our costs for the entire group. This was not theoretical; it was real savings. A small business or municipality with 100 employees, has no leverage against powerful pharmaceutical companies. Through a PBM, they can leverage the combined scale of many thousands of American businesses and other purchasers, to force big drug companies to the table and secure concessions in volume-based deals. Through these negotiations, PBMs save an average of more than $1,000 per person per year negotiating on behalf of plan sponsors.

This is simple private sector economics. Some players in the health care supply chain pretend otherwise, since it is in their financial interest to undermine the cost-saving role of PBMs, but that does not make their arguments any more aligned with a pro-market, freedom-oriented approach toward policymaking – or aligned with the interests of our constituents.

In fact, every single proposal seeking to undermine cost-saving options or pay-for-performance incentives in the private health care marketplace has been estimated to increase health care costs for employers, unions and the patients and families whose coverage they sponsor.

The American people, including my constituents, voted overwhelmingly in November for an agenda focused on lowering costs for essential everyday goods, including prescription drugs.

Heavy handed government mandates targeting the cost-savings and the freedom and flexibility plan sponsors rely on to design their prescription drug benefits, has no place in that agenda.

Such proposals, designed to pick winners and losers in the marketplace, would increase health care costs to the benefit of special interests in Washington.

I strongly encourage this committee to take a measured approach to the private market. We can have a conversation on matters of transparency and reform in Medicare Part D, where the federal government is footing the bill – but the commercial market should be off limits to government meddling and Washington picking winners and losers, especially when the consequence would be higher health care premiums for American families.

I urge my colleagues to remember our mandate to lower costs for the American people – and to reject special interest calls for government intervention in the private market that would have the opposite effect.

KATHY CASTOR
14TH DISTRICT, FLORIDA

COMMITTEE ON ENERGY
AND COMMERCE

SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS
RANKING MEMBER

SUBCOMMITTEE ON INNOVATION, DATA
AND COMMERCE

SUBCOMMITTEE ON ENERGY, CLIMATE
AND GRID SECURITY

SELECT COMMITTEE ON
THE STRATEGIC COMPETITION
BETWEEN THE UNITED STATES
AND THE CHINESE COMMUNIST
PARTY

Congress of the United States
House of Representatives
Washington, DC 20515–0914

WASHINGTON OFFICE:
2052 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–3376

TAMPA DISTRICT OFFICE:
4144 NORTH ARMENIA AVENUE
SUITE 300
TAMPA, FL 33607
(813) 871–2817

ST. PETERSBURG DISTRICT OFFICE:
136 FOURTH STREET NORTH
SUITE 201
ST. PETERSBURG, FL 33701
(727) 369–0201

castor.house.gov

January 20, 2025

Jason Smith
Chairman
House Ways & Means Committee
1139 Longworth HOB
Washington, DC 20515

Richard Neal
Ranking Member
House Ways & Means Committee
1129 Longworth HOB
Washington, DC 20515

RE: Ways & Means Committee Member Day Hearing Testimony

Dear Chairman Smith and Ranking Member Neal:

Thank you for the opportunity to provide testimony on the Committee's legislative agenda for the 119th Congress. I appreciate your interest in learning more about the priorities of leaders across the Congress, particularly in energy and the environment.

The new Congress has an opportunity to build on the success of the Inflation Reduction Act at a time when America is likely to need more energy but is also grappling with the escalating costs of the heating climate that is caused by burning fossil fuels. Fortunately, the IRA (in just two and a half short years) has catalyzed new clean energy resources, domestic manufacturing, U.S. supply chains, and job growth. We have done it at a time when China is doing all it can to capture these clean energy industries, but we cannot let them. The United States must counter China and continue to invest in clean energy technologies.

Several analyses of the IRA demonstrate that the two dozen tax credits it extended and expanded are helping households, communities, and companies invest in clean energy and efficiency. Rhodium Group's analysis last year with MIT found that $76 billion of direct federal investment has generated $493 billion in private investment – that is an incredible return. These tax credits are grounded in the belief that our energy transition can be built here in America, lower costs for families, strengthen our energy security, create good-paying, high-quality jobs, and spur economic growth across the country.

Four years ago, we were highly dependent on Asia to manufacture the key building blocks of a clean energy economy. More than a decade of tariffs under Democratic and Republican presidencies failed to ignite domestic industries like solar. Now, thanks to targeted investments in the Infrastructure Law and IRA, including clean energy tax credits, that is no longer the case. The United States is producing record amounts of solar panels and batteries, where we are quickly on our way to meeting domestic demand.

When I talk to these manufacturers, who are largely located in Republican-led states, they emphasize how important the full suite of clean energy tax credits is for their businesses. The 45X Advanced Manufacturing Production Tax Credit, providing a per-unit incentive for clean energy technologies, is helping manufacturers build a strong and sustainable domestic supply chain, from mining to processing to final product assembly. At the same time, the 48C Qualified Advanced Energy Project Investment Tax Credit received applications for approximately $40 billion, far exceeding the $6 billion Congress appropriated.

However, these factories require we do more than just incentivize manufacturing – we need to make sure there are American buyers for these clean energy products. In addition to the supply-side incentives, the IRA included demand-side policy levers in line with incentivizing domestic supply chains. Some Members of Congress have disparaged the 30D Clean Vehicle Credit, which provides up to $7,500 for new electric vehicles that meet certain production requirements. This credit has benefited more than 300,000 drivers and saved consumers over $2 billion. Incentives like 30D, which encourage domestically produced products, are critical to making our manufacturing investments viable.

Our industry partners need certainty. Certainty around our 48E Clean Electricity Investment Tax Credit and 45Y Clean Electricity Production Tax Credit has been vital in spurring more than $261 billion in announced investments for utility-scale clean energy projects since passage of the IRA in 2022. Removing these technology-neutral tax credits, which support technologies ranging from wind and solar to hydro, geothermal, and nuclear, could cost over 100,000 American jobs by 2040 and increase electricity bills by 10% for consumers. These credits provide performance-based targets that will boost technologies that we can't even envision right now. Attempts to revoke these credits, or even to modify the rules set by Treasury, will only make it easier for competitors like China to win the race for global energy dominance.

As households confront rising energy costs and the challenges of climate-driven extreme events and catastrophes, we must preserve their access to the tax credits that are helping them save money. More than 1.2 million American families have claimed credits for residential clean energy investments – such as solar electricity generation, solar water heating, and battery storage – averaging $5000 per family. 2.3 million families have claimed credits for energy efficient home improvements – such as heat pumps, efficient air conditioners, insulation, windows, and doors – averaging $880 per family. These credits are benefiting all types of Americans – nearly half of the families who claim these credits make less than $100,000. The households that have taken advantage of these credits will benefit by saving money on their monthly utility bills, expected to equal thousands of dollars per year. They will also benefit from cleaner air, improved weather-resiliency, and enhanced comfort in their homes.

The IRA's clean energy tax credits are the foundation of a stronger economy where working families see financial relief and find a good-paying future in the new battery or electric vehicle manufacturing plant nearby. We are reducing our reliance on China and foreign adversaries, while improving access clean air and water, thereby living healthier lives. I strongly urge this Committee to defend these tax credits and offer my support should these issues come before the Committee this Congress.

Sincerely,

Kathy Castor

Kathy Castor
United States Representative
Florida – District 14

The Honorable Tom Cole (OK-04)
Testimony before the House Committee on Ways and Means
Member Day Hearing on Priorities in the 119th Congress

Thank you, Chairman Smith and Ranking Member Neal, for the opportunity to share my testimony.

Like many of you, I have been communicating with my constituents about their tax priorities, and I would appreciate you giving the following priorities proper consideration.

Treatment of Tribes as States with Respect to Bond Issuances and Excise Taxes—repeal the "essential government function" (EGF) test that limits the ability of tribes to issue governmental bonds. Also establish a private activity bond volume cap rules to enable tribal governments to issue private activity bonds for economic development purposes like state and local governments can. This fix will bring full parity for tribes with state and local governments in accessing tax-exempt bond financing that will enhance job creation, generate needed government revenue for social services, stimulate business development on tribal lands, and more.

Creation of New Markets Tax Credit for tribal statistical areas—create an annual $175 million New Markets Tax Credit for low-income Tribal communities and for projects that serve or employ Tribe members. Because the CDFI Fund scores NMTC applications based on how much of an impact they will make per dollar invested, urban-based applications targeting areas of high population densities are approved over applications focused on rural areas, where most tribes are located. This set-aside will address the low rate of NMTC deployment in Indian Country and allow tribes more opportunities for economic development.

Exclusion from gross income for payments under Indian health service loan repayment program and Indian health professions scholarships program— make health professionals at the Indian Health Service eligible for recruitment and retention tax incentives available to other public sector health professionals. Individuals who participate in similar programs such as, HHS and DOD, benefit from having any support they receive excluded from their federal gross income taxes. Recipients of IHS scholarships do not. This fix will address parity issues and also help with critical IHS recruitment and retention of health professionals.

Increased effectiveness of Tribal Low-Income Housing Tax Credits (LIHTC) in Indian Country—the LIHTC program provides tax incentives to developers to create affordable housing, but credits are often unavailable to tribes. Modify the definition of difficult development area to include an Indian area for the purposes of determining eligible basis. This will qualify those areas for a 30% basis boost for the purpose of awarding LIHTC allocations, meaning more credits would be available to cover the costs of a housing project in tribal nations financed with these tax credits.

Bipartisan Social Security Commission Act—this bill establishes a temporary commission within the legislative branch to provide Congress with recommendations and proposed legislation to ensure the solvency of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (commonly referred to as the Social Security trust funds) for at least 75 years. H.R. 281 in the 118th Congress.

Lower the Corporate Income Tax Rate—lower the corporate income tax rate from 21% to 20% or an even greater reduction. This would lead to greater business success and job growth within the U.S.

Lower the Corporate Income Tax Rate to Encourage Domestic Production— lower the corporate income tax rate to 15% or a similar amount for companies that make their products in the U.S.

Expand Federal Deductions for State and Local Taxes (SALT)—have a thoughtful conversation with the Republican conference and come to an agreement on increasing the cap for SALT deductions for American taxpayers.

Charitable Act—this bill allows individual taxpayers who do not otherwise itemize their tax deductions a deduction for charitable contributions. The deduction is limited to one-third of the standard deduction allowed to such taxpayers. H.R. 3435 in the 118th Congress.

Tax Credit for Family Caregivers—have a thoughtful conversation with the Republican conference and come to an agreement on a tax credit for family caregivers, such as the up to $5,000 tax credit within the Credit for Caring Act. H.R. 7165 in the 118th Congress.

Again, I thank the committee for taking the time to review my testimony. I look forward to working with this committee and President Trump's administration throughout this process.

GABE EVANS
EIGHTH DISTRICT, COLORADO

1229 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5625

Congress of the United States
Washington, DC 20515

January 20, 2025

The Honorable Jason Smith
Chairman
House Ways and Means Committee
1139 Longworth HOB
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
House Ways and Means Committee
1129 Longworth HOB
Washington, D.C. 20515

Dear Chairman Smith, Ranking Member Neal, and Esteemed Members of the House Ways and Means Committee,

Thank you for the opportunity to submit testimony regarding the Committee's priorities during the 119th Congress. As the Representative for Colorado's 8th Congressional District, I have the privilege of serving a diverse community of hard-working families seeking to achieve the American Dream. As such, the issues that are set to be taken up by this committee over the coming months will have an enormous impact on the economic prosperity of my constituents.

As the committee considers its priorities for the 119th Congress, I request that the committee prioritize the extension of the 2017 Tax Cuts and Jobs Act (TCJA), especially the provisions that benefitted small businesses, such as the 20% Qualified Business Income (QBI) Deduction. This provision and others like it were instrumental in the economic boom that followed the passage of the original TCJA.

In my district, small businesses are the lifeblood of our local economy – employing thousands of residents and contributing to the prosperity of the surrounding community. Ensuring that these entities can continue to benefit from the provisions first implemented in the 2017 tax cuts is critical in building a strong foundation for the next decade of economic growth, preventing good paying jobs from being shipped overseas, and reinvigorating America's domestic supply chains.

I additionally request that the committee prioritize strengthening tax credits and incentives for domestic producers of traditional forms of energy, such as oil and natural gas. After the enactment of the so-called "Inflation Reduction Act" under the Biden-Harris administration, millions, if not billions of capital and taxpayer dollars have flowed towards Green New Deal initiatives and untested forms of clean energy that are not yet ready to fully support the American power grid. If America is to remain competitive with China, it is imperative we return to robust domestic energy production and strive for energy independence.

I represent Weld County, which is one of the top oil and natural gas producing counties in the entire nation. I know that the energy produced by my constituents is among the cleanest, cheapest, and most reliable in the entire world. The hard work by these blue-collar workers supports entire industries, powers millions of homes, and fuels countless cars. It is essential that the 119th Congress put these American workers first and strengthen incentives for domestic oil and gas production.

Finally, I request that the committee prioritize strengthening and expanding tax credits that benefit American farmers and ranchers. Over the past 4 years, many of these independent operators have been crushed under red tape and regulations issued by the Biden administration – from agencies such as the Food and Drug Administration (FDA) to the Environmental Protection Agency (EPA). For many of these weary farmers, a tax break or tax incentive would help them get back on their feet and keep their communities fed.

Colorado's 8th Congressional District has thousands of such farmers and ranchers. Hard-working and resilient, they are seeking a hand up rather than a handout. As a cattle rancher myself, I know firsthand just how difficult and costly it has been under the Biden-Harris administration to remain compliant with the never-ending stream of draconian rules and regulations coming from the Executive Branch. To promote sustainable and healthy farming and ranching, the Ways and Means Committee needs to seriously consider viable policy levers to aid American agricultural producers.

I sincerely thank you for the opportunity to submit testimony to this committee, and on behalf of my constituents in Colorado's 8th Congressional District I ask for full and fair consideration of these priorities.

Sincerely,

Gabe Evans

Gabe Evans
Member of Congress

Congress of the United States
Washington, DC 20515

Written Testimony
Congressman H. Morgan Griffith Virginia's 9th Congressional District
House Committee on Ways and Means
Wednesday, January 22, 2025

Thank you, Chairman Smith and Ranking Member Neal for holding this hearing today, I appreciate the Committee's willingness to provide me the opportunity to draw attention to H.R. 228, the Educator Expense Deduction Increasement Act, H.R. 570, the Stillborn Child Tax Credit, and Rep. Carol Miller's bill for a carbon capture tax credit, which I support.

H.R. 228, amends the Internal Revenue Code of 1986 to raise the Educator Expense Deduction from $300 to $1,000. A schoolteacher in my district approached me at the New River Valley Fair about the amount of money she and most teachers spend throughout the school year for supplies, decorations, etc. to improve the learning experience of their students. She told me that the $300 was not coming close to covering the expenses in part because of the high inflation of the last few years. Educators contribute time, effort, and in many cases, their own money, in their instruction of our country's children. But many teachers may refrain from doing everything they would like to in their classroom because the Educator Expense Deduction is limited to $300. Many teachers are having to make difficult financial decisions on top of spending money for their classrooms. This bill will provide breathing room for elementary, middle, and secondary school teachers by increasing the Educator Expense Deduction to $1,000.

H.R. 570, amends the Internal Revenue Code of 1986 to extend the Child Tax Credit for the year of birth to the parents of an involuntarily stillborn baby. There are about 24,000 stillbirths that occur annually in the United States. Under current tax law, stillborn babies are treated differently compared to children who, even if they tragically pass away minutes after birth, were born alive. Parents of the latter are eligible for the Child Tax Credit for one year, but parents of stillborn babies are not.

The current law is unfair because if a mother carries her baby for 20 weeks, and then has as unintended, intrauterine fetal death, the mother has still prepared for the baby's care (room preparation, cribs, clothes, etc.). Even though the baby has died, the family is subject to all of the financial bills for their baby's care throughout the pregnancy.

In the case that brought this to my attention, the baby was in excess of 8 months old at the time of its death. The mother was required to go through labor and childbirth in order to safely remove the deceased baby from her womb. Accordingly, she had to pay for all the hospital expenses normally accruing in the birth of a child.

As you can imagine these bills amount to a substantial financial expense. The emotional costs can't be quantified but are high, and the financial costs are also difficult, which is why I introduced a bill to extend the Child Tax Credit to the parents of an involuntarily stillborn baby. The Credit would apply for the year of birth of the unintended, intrauterine fetal death. Again, if the baby takes one breath the tax credit applies.

Finally, I would also like to offer my support for a proposal that Congresswoman Carol Miller of West Virginia led in the 118th Congress that would have extended the 45Q Carbon Capture tax credit to methane captured in coal mines. In the 9th District of Virginia there are coal mines that must be flushed with methane for the safety of the miners. Companies in Central and Southern Appalachia have developed technologies to remove and capture methane directly from mines. I have witnessed mine methane capture technology firsthand in Buchannan County, Virginia. I believe that extending the 45Q tax credit to methane captured in mining operations would be good for the environment, worker safety, and energy production.

I appreciate the assistance this Committee has provided me with over the years and ask that this Committee consider these bills as it begins work on drafting reconciliation legislation in the 119th Congress. I regret I cannot deliver these comments in person because of my schedule. Should any Member or the Committee staff have questions or concerns, I would be more than happy to address them. Thank you.

Congresswoman Diana Harshbarger (TN-01)
Testimony before the House Committee on Ways and Means
Member Day Hearing on Priorities in the 119th Congress
January 22, 2025

Chairman Smith, Ranking Member Neal, and Members of the House Committee on Ways and Means:

Thank you for inviting members to testify before the Committee this morning.

I am here today to advocate for several of my bills which fall within the Ways & Means Committee's jurisdiction, focused on reforming and strengthening our healthcare delivery system, our tax system, and our Social Security Disability Insurance program.

PBM Reforms

As members of this committee know, Pharmacy Benefit Managers (PBMs) are operating in ways that enrich themselves and harm those who rely on their negotiating power and expertise. These middlemen are creating and profiting from misaligned incentives and raising clear conflicts of interest that are also putting the financial screws to independent community pharmacies. This has gained the attention of states, Congress, and the Federal Trade Commission.

The PBM Sunshine and Accountability Act (H.R. 2816 in the 118th Congress) is bipartisan legislation to establish new, public reporting requirements for PBMs on a plan-level basis, and apply these to Medicare Part D; ACA Exchanges; employer-sponsored commercial health insurance; and individual private health insurance. This will help ensure that patients, providers, and employers are able to make informed, cost-efficient, and value-based PBM choices.

I also commend the Committee's attention to bipartisan legislation I am co-leading with Rep. Auchincloss, ***the Pharmacists Fight Back Act*** (H.R. 9096 in the 118th Congress). This legislation would level the playing field for independent community pharmacies, and save patients and taxpayers money, by prohibiting PBMs from manipulating drug prices and from restricting network access and patient choice in federal healthcare plans.

The Seniors' Access to Critical Medications Act

This important bipartisan legislation (H.R. 5526 in the 118th Congress) would make permanent a waiver issued by the Centers for Medicare and Medicaid Services (CMS) that allowed for Medicare patients to receive critical medications by mail, or allow for caregivers and family members to obtain medications for them.

During the COVID-19 public health emergency (PHE), CMS allowed for independent physicians to mail medications directly to their patients, or have them delivered by a family member or caregiver, if a Medicare patient was unable to be present in the office. CMS has ruled that the end of the COVID-19 PHE marks the end of such policies. Consequently, many patients in need of critical medicines, many of whom are cancer patients, lack the means to receive their prescriptions in a timely manner from their healthcare provider.

For many patients, especially in rural communities, a trip to one's doctor entails a long journey and puts patients at risk who don't have access to reliable transportation, or are otherwise too ill to safely travel. This legislation would allow for patients to have medications delivered to them via the mail, or by those overseeing their care.

Last session, H.R. 5526 had joint referral to the House Ways and Means Committee, and the House Energy & Commerce Committee, where I serve as a member. The Ways & Means Committee graciously agreed to forego action on the bill, and my legislation advanced through regular order and amendment in the House Energy & Commerce Committee — and passed by the House of Representatives without any objection on September 23, 2024.

The Rural Physician Workforce Production Act

Having served as a pharmacist in East Tennessee for more than30 years — and as Co-Chair of the Congressional Bipartisan Rural Health Caucus — I understand the unique needs and challenges that face our rural communities. Rural regions struggle to recruit and retain physicians and other practitioners, and that's why I'm proud to lead the bipartisan ***Rural Physician Workforce Production Act*** (H.R. 834 in the 118th Congress). This legislation would cut the burdensome red tape that prevents rural hospitals from bringing in more residents, and ensure those facilities have the resources they need to recruit and retain doctors for the long haul.

One of the greatest indicators of where a doctor will practice is the location of their residency, but some rural hospitals can't afford to take on new residents, despite need. The *Rural Physician Workforce Production Act* addresses the geographic misdistribution of physicians across the U.S. stemming from the current structure of the Medicare-funded graduate medical education (GME). The legislation lifts the current caps on Medicare reimbursement payments to rural hospitals that cover the cost of taking on residents, eliminating the serious disadvantage that rural hospitals face when recruiting new medical professionals.

My bill also allows Medicare to reimburse urban hospitals that send residents to train at rural health care facilities during a resident rotation, and it establishes a per resident payment initiative to ensure rural hospitals have the resources to bring on additional residents.

The Fair Access in Residency (FAIR) Act

An important part of solving our healthcare workforce shortages is making sure we're leveraging all available physicians to support access to healthcare, particularly for our underserved communities.

The Fair Access in Residency (FAIR) Act (H.R. 751 in the 118th Congress) would address unnecessary and unfair residency criteria imposed on Doctors of Osteopath (DOs) by Medicare-funded Graduate Medical Education (GME) programs. Residency training is required for physician licensure and Medicare funds 71% of all GME funding. DOs are fully licensed physicians who practice in all 50 states, and DO students take the Comprehensive Osteopathic Medical Licensing Examination of the United States (COMLEX) for graduation and licensure.

Too many residency programs exclude DOs or require them to take an additional second exam — the United States Medical Licensing Examination (USMLE), the MD licensing exam. According to National Resident Matching Program data, 29% of residency program directors never or seldom interview DO candidates, which is a prerequisite to residency selection. At least 73% of program directors also require DO applicants to take the USMLE. DOs incur significant costs to take the MD exam ($2,335 in exam fees and 32 hours of exam time) along with the time and emotional strain associated with preparing for an additional test that is not geared toward the osteopathic profession nor needed for licensure.

These discriminatory practices restrict the specialty choices of osteopathic medical students, exacerbate the physician workforce shortage, and limit access to healthcare by impinging on physician distribution.

The FAIR Act would establish two reasonable and common-sense requirements of Medicare-funded GME programs as a condition of participation:

1. Provide transparency through annual reporting on the number of DO and MD applicants and accepted residents; and
2. Affirm that DO applications and the COMLEX-USA are accepted for consideration.

The FAIR Act **does not** federalize the practice of medicine, establish quotas or increase the role of government, but simply adds to the existing reporting requirements that are mandated for participation in Medicare GME.

Increasing access and improving transparency in the Medicare GME reporting system will enable DOs to more effectively pursue their preferred residency programs and serve the communities that need them most.

Tax and Social Security Reforms

The Universal Savings Account (USA) Act (H.R. 9010 in the 118th Congress) would allow Americans to build their own financial security through a single, simple, and flexible savings account — where they can contribute up to $10,000 per year of post-tax income. In doing so, their earnings can grow, and withdrawals can be made at any time without having to pay even more taxes.

USAs would be all-purpose tax-advantaged accounts that allow individuals to decide **what** to use their savings for **and when**, without the government micromanaging their choices. With USAs Americans can save without the restrictions, confusion, and penalties associated with other savings accounts. Under USAs there are **no** minimum contribution requirements, and **no** restrictions or penalties for withdrawals. And hard-earned cash is only taxed once, at the time of contribution.

The Simplify, Don't Amplify the IRS Act (H.R. 2556 in the 118th Congress) would implement reforms to bring more transparency and accountability to the Internal Revenue Service (IRS), and help ensure that the IRS cannot be weaponized against American Taxpayers. Among these reforms are prohibiting the creation of an IRS bank reporting regime, ensuring the IRS spends its time helping taxpayers rather than spending it on partisan union activity, and holding IRS employees accountable when they release private taxpayer information.

The Immediate Access for the Terminally Ill Act (H.R. 6427 in the 118th Congress), which I am championing with Sen. Mike Lee, would remove the burdensome waiting period for terminally ill patients' access to their Social Security Disability Insurance (SSDI) program benefits. Individuals suffering from terminal illnesses with no known cure — and having an average life expectancy of five years or less from the time of diagnosis — would have the option of immediate access to their earned monthly SSDI cash benefits, in exchange for a 7% actuarial reduction.

Thank you again to Chairman Smith, Ranking Member Neal, and Members of this Committee for allowing me to express my priorities for this Committee in the 119th Congress. I appreciate your consideration and look forward to working together on these and other issues.

Congressman French Hill (AR-02)
Ways and Means Committee Member Day Hearing
Date: Wednesday, January 22, 2025
Comments Due: February 5, 2025

Remarks

801 words. 5 minutes.

- Thank you, Chairman Smith for hosting this Member Day Hearing on matters within the House Committee on Ways and Means' tax jurisdiction.

- I come before you to advocate for some of my top priorities in this space.

- First, the Social Security Disability Insurance program is in need of major reform.

- Every Congress since I have joined the House, I have introduced legislation to strengthen SSDI and keep it solvent for current and future generations.

- A crucial piece to ensuring the longevity of this program is reducing the number of beneficiaries who are dependent on it as their sole or primary source of income.

- We must ensure that the program works for those who are truly permanently disabled and unable to work by creating incentives to return to work for those who can.

- Tax policies that encourage employers to hire and retain disabled individuals are one component of these incentives.

- Those who regain their independence experience more fulfillment, autonomy, and improved health in their lives.

- These taxes credits can even help pay for themselves as enrollment declines and individuals earn taxable income.

- I encourage the Committee to consider enhancements to the Work Opportunity Tax Credit and other ways to support disabled persons participating in the workforce.

- Additionally, Opportunity Zones were created in 2017 as a part of the Tax Cuts and Jobs Act.

- Opportunity Zones have demonstrated the ability to stimulate investment in underserved areas.

- However, the majority of Opportunity Zone funds have been invested in real estate projects rather than operating and growing existing businesses that produce new employment.

- As Congress works to extend programs from TCJA this year, incentives for investment in non-real estate projects within Opportunity Zones should be expanded and explored.

- This includes creating accompanying terms and conditions that clarify the definition of eligible zones, generating enhanced reporting requirements, encouraging small-dollar investments, ensuring support for rural Opportunity Zone areas, and overall making Opportunity Zones more effective.

- As mentioned, Opportunity Zones were created through reconciliation as a part of the Tax Cuts and Jobs Act of 2017, and I recognize that some of these ideas are not possible to institute through that same process.

- As a result, I encourage the Members of this Committee to work across the aisle to strengthen Opportunity Zones which benefit both Republican and Democrat regions across the country.

- Last November, I released a set of principles titled, “Make Community Banking Great Again”.

- Within this broad framework of ideas to support a growing, successful community banking industry was an acknowledgement that we must improve access to funding and capital for these banks.

- One idea outlined in my framework is to increase the maximum number of shareholders allowed to qualify for a Subchapter S bank.

- Another is to revisit the considerations for who can count as one individual shareholder.

- These actions would assist in the growth capital and transfer of ownership for closely held financial institutions, improving the ability for these banks to access diverse funding sources and giving consumers more choice and control over their financial decisions.

- Subchapter S tax treatment is vital for community banks, and we should make it more workable, flexible, and permanent through Section 199A.

- That is part of the reason why I have supported Congressman Lloyd Smucker's Main Street Tax Certainty Act once again this Congress.

- Expanding employee ownership improves employee retention, motivation, and productivity, and it supports the middle class building long-term family wealth.

- Finally, I would like to talk about another way to promote economic growth through employee ownership stakes.

- Enhancing equity participation for employees in private companies is a key area of focus that would produce more investment capital and, importantly, offer a broader, more inclusive share of the American Dream to more families.

- Many employees who own private stock in their employing companies struggle to exercise their incentive options because of the taxes that are owed upon doing so.

- I am supportive of finding creative ways to remove these and other barriers to exercise these options for non-C suite grant recipients – particularly through tax deferrals.

- Rather than avoiding taxes, a deferment on those taxes can create substantial savings for the beneficiaries.

- There remain challenges on the renewal and expiration of these deferments, but this is an idea I encourage your committee to explore.

- Thank you again for the opportunity to share my ideas and priorities with you.

- I look forward to working with the Committee to enact tax policies that can support disabled persons participating in the workforce, encourage continued investments in economically distressed communities, improve access to capital for critical community banks, and expand the American Dream through enhanced employee ownership benefits.

Intro:

Thank you, Chairman Smith and Ranking Member Neal, for holding this hearing today and giving members the opportunity to advocate for legislation that will benefit their districts.

Life in the Texas Panhandle is not for the faint of heart.

Over the past few years, my constituents experienced extreme droughts, torrential floods, scorching heat waves, frigid freezes, multiple tornadoes, and the most devastating wildfire in Texas history.

In February of last year, a series of wildfires in the Texas Panhandle consumed over 1.25 million acres.

Once the flames were extinguished and the smoke had cleared, it was revealed that the fires had destroyed nearly 150 homes and claimed three lives and over 15,000 head of cattle.

The total economic impact from the wildfires exceeds well over a billion dollars, but that does not account for the devastating toll left on the families and friends that lost their loved ones.

To help mitigate the effects of this devastating disaster, I introduced the Wildfire Victim Tax Relief and Recovery Act.

My bill would exempt government assistance and any settlement payments from Xcel Energy in connection with these devastating fires from a victims' federal income taxes.

The people of Texas' Thirteen Congressional District are relying on this legislation to help rebuild their homes, communities, and livelihoods so they can get back to producing the fuel and fiber that America and the world rely on.

I urge the committee to swiftly pass this legislation or incorporate it into a larger package this Congress to help provide much needed assistance to my constituents in the Texas Panhandle.

With that, Mr. Chairman, I yield back.

TRENT KELLY
2243 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2401
(202) 225-4306

COMMITTEE ON AGRICULTURE
SUBCOMMITTEE ON
FORESTRY
SUBCOMMITTEE ON
LIVESTOCK, DAIRY, AND POULTRY

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INTELLIGENCE AND SPECIAL OPERATIONS
SUBCOMMITTEE ON
SEAPOWER AND PROJECTION FORCES, CHAIRMAN

HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE, VICE CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515

January 22, 2025

Jason Smith
Chairman
House Ways and Means
1139 Longworth HOB 20515
Washington, D.C. 20515

Richard Neal
Ranking Member
House Ways and Means
1129 Longworth House Office Building
Washington, D.C. 20515

Chairman Jason Smith and Ranking Member Richard Neal,

Thank you for the opportunity to submit this statement for the record regarding my tax priorities. I appreciate the Committee's work in advancing policies that promote economic growth and provide relief to hardworking Americans.

One of my top priorities is the Tax Relief for Farmers and Rural America Act (H.R. 9837 in the 118th). Farmers and ranchers in Mississippi and across the country face an undue financial burden by being taxed on the relief payments they receive from the federal government. To provide much-needed relief, I am advocating for an exemption of taxes on all emergency payments. Mississippi has already implemented a similar tax exemption at the state level, and it is time for the federal government to follow suit.

I also implore the committee to repeal the outdated Jackson-Vanik amendment, which prevents Uzbekistan from achieving permanent normalized trade relations with the United States. Uzbekistan has made significant reforms, improving its economy and society. Militarily, Uzbekistan actively participates in the State Partnership Program with the Mississippi National Guard participating in joint exercises such as Southern Strike. Over the years, Uzbekistan has significantly reduced its dependency on Russia and has openly condemned Russia's invasion of Ukraine. Despite its considerable progress, the Jackson-Vanik amendment is still law. This policy hinders economic opportunities and engagement between our two nations. I urge the Committee to support repealing the Jackson-Vanik amendment for Uzbekistan to enhance trade and economic growth.

I am also concerned about the looming expiration of the current estate tax provisions. If no action is taken, the exemption level will revert to its previous levels. This change would place an unnecessary burden on family-owned businesses and farms. I support either a full repeal of the estate tax or an extension of the Tax Cuts and Jobs Act to maintain the current exemption level.

Furthermore, restoring full expensing for Research and Development (R&D) expenses is crucial to fostering innovation and economic growth. The current amortization requirement imposes significant financial constraints on large and small businesses. I support efforts to allow full R&D expensing and stimulate job creation and economic expansion.

Lastly, I support extending or permanently implementing the Qualified Business Income (QBI) Deduction. This deduction allows businesses to deduct up to 20 percent of their QBI, providing critical relief and encouraging investment in local economies. I strongly advocate for the continuation of this provision.

In conclusion, I urge the Committee to consider these priorities as it develops tax policies that benefit all Americans. I look forward to collaborating with my colleagues to achieve these goals and appreciate your dedication to fostering a fair and pro-growth tax environment.

Sincerely,

Trent Kelly
Member of Congress

BRAD KNOTT
13TH DISTRICT, NORTH CAROLINA

1239 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–3313
(202) 225–4531

Congress of the United States
House of Representatives
Washington, DC 20515–3313

Thank you, Chairman Smith, for hosting this hearing and providing off-committee members like myself the opportunity to speak about issues important to North Carolina's 13th District.

Prior to President Trump's first term, the United States had one of the highest corporate tax rates in the world, and our businesses and economy suffered accordingly.

The passage of the historic *Tax Cuts and Jobs Act* (TCJA) in 2017 delivered sound economic growth to businesses of all sizes. TCJA empowered American businesses to, once again, compete in the global market and combat China's growing influence. As our own businesses grew, all Americans experienced a marked improvement. Unemployment in all sectors decreased, wages went up and our local communities thrived.

With many of the TCJA provisions expiring in the coming year, I look forward to working with my colleagues in the House of Representatives and President Trump to bring forth his new economic agenda that will help North Carolinians recover from four years of devastating liberal policies.

We must continue to support the best and brightest America has to offer, from our small businesses, to manufacturers, agricultural communities, the research and development happening in our technology and pharmaceutical industries and financial service industries.

Chairman Smith - thank you, again, for your leadership during this critical time. To the committee as a whole, thank you for letting me speak today and I yield back.

Congressman John W. Mannion
Remarks for House Ways and Means Full Committee: Member Day Hearing
January 22, 2025

Thank you, Chairman Smith, Ranking Member Neal, and Members of the Committee, for the opportunity to testify today. I also want to acknowledge and thank my colleagues from New York, Representatives Suozzi, Tenney, and Malliotakis, for their dedication to advancing our state's priorities on this Committee. Today, I want to focus my remarks on an issue that deeply impacts my community—and undoubtedly the communities of my New York colleagues—the State and Local Tax Deduction, or SALT.

As I've spoken with constituents across New York's 22nd Congressional District, I've heard firsthand how the SALT cap has placed a heavy burden on hardworking families and businesses across Central New York and the Mohawk Valley. From Syracuse to Utica and throughout our smaller towns and rural areas, people in my district take pride in their communities and invest heavily in local services, from public schools to public safety – contributions that make our area a desirable place to live, work, and raise a family. However, the cap on SALT deductions has turned this investment into a double tax, punishing people for supporting the very things that make our communities strong.

Let's be clear: the SALT deduction is not a luxury—it's a matter of fairness. Before the cap was implemented in 2017 through the Trump tax plan, taxpayers could fully deduct their state and local taxes from their federal tax bills, recognizing that these contributions fund vital services like infrastructure, healthcare, and education. Now, with the cap in place, middle-class families in my district are being taxed twice while struggling to keep up with high inflation in every area of their lives.

This isn't a partisan issue—it's a common-sense one. I appreciate the Committee's focus on this critical matter as it begins to craft tax legislation in the 119th Congress. By lifting the SALT cap, we can restore equity for taxpayers, give families some breathing room, and ensure that the hard-earned dollars they pay to their state and local governments are not penalized by a broken federal tax code.

I also want to highlight the importance of extending the investment tax credit beyond 2026. For my district, Micron's historic $100 billion investment in semiconductor manufacturing in Central New York is transformative. Extending the investment tax credit would not only support Micron's continued growth but also help solidify the United States as a leader in advanced manufacturing. This extension is critical for creating more high-paying jobs, strengthening our supply chains, and ensuring long-term economic stability for communities like mine.

Thank you and I yield back.

Congress of the United States
House of Representatives
Washington, DC 20515-2209

January 17, 2025

Chairman Jason Smith
Committee on Ways and Means
1139 Longworth HOB
Washington, D.C. 20515

RE: Member Day Hearing

Dear Chairman Smith and Committee Members,

Thank you for providing the opportunity to speak about issues important to our districts.

As you are aware, the green energy tax credits created in the Inflation Reduction Act include a loophole that our nation's adversaries could use to their advantage. To curtail their benefits, I re-introduced the *No Official Giveaways Of Taxpayers' Income to Oppressive Nations Act* (H.R. 524). This legislation would prohibit companies – based in the People's Republic of China (PRC), the Russian Federation, the Islamic Republic of Iran, or the Democratic People's Republic of Korea – and their subsidiaries from receiving any of these tax incentives. Companies based in China are beholden to the Chinese Communist Party (CCP) and they should not benefit from incentives paid for by the American taxpayer.

Additionally, tax-advantaged U.S. investors should not be investing in the PRC. These investments are directly contributing to the CCP and the People's Liberation Army. I will be introducing the *Patriotic Investment Act* to increase the tax on capital gains and dividends earned from investing in the PRC to the same rate as ordinary income. It does not make sense to give the same tax incentives for investments in an adversary as investments in the U.S.

Expanding rural broadband access is an issue that I have supported throughout my time in Congress. Many rural communities in Michigan lack the infrastructure necessary to receive access to broadband service. That is why I am reintroducing the *Broadening Online Opportunities through Simple Technologies (BOOST) Act*. This legislation would allow residents to purchase a mobile hotspot, mobile hotspot booster, satellite booster, or similar device to boost speeds of their wireless internet to better be able to do business, complete homework, and receive telemedicine at home. The $300 tax credit is technology-neutral so it can be used to purchase the technology the homeowner believes would be best for their residence. One homeowner could claim the tax credit after buying a signal booster, while another could use it after purchasing equipment to receive service from a satellite.

Another concern that is affecting my constituents is that under current law, Native Americans are barred from contributing to their own Health Savings Account (HSA) for three months after receiving care at an Indian Health Service Facility. Congressman Raul Ruiz, M.D. and I recently introduced the *Native American Health Savings Improvement Act* (H.R. 444) to repeal this waiting period so Native Americans can save money for their health care like everyone else. It does not make sense that Native Americans must wait three months to begin contributing to their HSAs. In 2016, this legislation unanimously passed the House of Representatives.

There are also issues with Medicare that need to be fixed to make life better for my constituents. Those living in rural communities deserve health care they can trust. That is why Medicare regulations must be modernized and allow rural hospitals to use Medicare funding to hire and pay anesthesiologists. I am also proud to lead the bipartisan *Medicare Access to Rural Anesthesiology Act* again this Congress which I plan to reintroduce soon. This bill would help make sure seniors in rural America have access to the anesthesia care they need for medical procedures.

I urge the Committee to advance these solutions. Thank you again for the opportunity to share these issues with the Committee.

Sincerely,

John Moolenaar

JOHN MOOLENAAR
Member of Congress

House Ways and Means Committee
Member Day Testimony
Representative Dan Newhouse (WA-04)

Thank you, Chairman Smith, Ranking Member Neal, and members of the Committee for the opportunity to discuss several priorities that are important to my constituents in Central Washington. This Congress has a unique opportunity to address some of the biggest challenges facing families, farmers, workers, and small businesses - improving the lives of all Americans.

- First, death should not be a taxable event, and a top priority should be full repeal of the estate and generation-skipping transfer taxes, also known as the “death tax”. Taxing an individual’s right to transfer property at their death can be one of the biggest impediments to continuing the operation of a family farm and building on the family legacy.
- Being hit with a six-figure tax bill—up to 40 percent of the estate—after losing a loved one is a problem as the family’s liquid assets, or cash, will likely be needed to cover the tax bill. This can create a scenario in which the heirs must sell equipment and land or become another multigenerational family-run business forced to sell to avoid IRS harassment.
- It is time to stop punishing our nation’s family businesses and their entrepreneurial legacy – remove this unfair and costly tax on the property, land, and other assets from a deceased family member to heirs of family farms and small businesses. Repealing this tax once and for all will provide relief to family-owned businesses and pass their farms and ranches onto the next generation.

- Second, Congress must make permanent the bonus depreciation provision of the Tax Cuts and Jobs Act. This provision is a critical depreciation deduction that enables business-owners to write off a portion of the cost of eligible assets in the year they are purchased, which includes machinery and equipment. TCJA increased the deductible amount to 100 percent from 50 percent.
- This provision has been beneficial to the agricultural sector by helping farmers manage their businesses though challenging financial times while still being able to invest and expand their business.
- Making permanent the unlimited expensing provision of the Tax Cuts and Jobs Act will continue to support the entire agricultural sector by providing readily available funds to upgrade equipment, plan for the next season, and for farmers to grow their business.
- During a time in which farmers and businesses are dealing with financial pressures from various fronts, making permanent bonus depreciation would be a step in the right direction.

- Third, I want to emphasize the need to permanently extend the Section 199A Business Income Deduction of the Internal Revenue Code.
- Section 199A allows for a 20 percent deduction of qualified income for pass-through businesses, which most small businesses and family farms are structured as.
- Permanent extension of Section 199A ensures the tax rate on main street businesses, including farmer-owned cooperatives, partnerships, and sole proprietorships, remains competitive to support the growth and positive impact these businesses have on communities across the country.
- Washington State has one of the largest export economies in the country with over 40 percent of jobs being supported by international trade. Congress and the Administration should use our unified government to develop foreign markets and pursue fair trade agreements with our trading partners. Trade is the cornerstone of not only our agricultural industries, but our democracy and must be a top priority.

- Finally, as the committee considers reconciliation and measures to reign in irresponsible government spending, I believe that we need to consider a responsible and practical approach, particularly regarding anything that encourages and incentivizes new energy production.
- I believe it is our duty to be precise in how we address policies that are detrimental versus those that will address our crucial need for more energy.
- U.S. Electricity Demand is forecast to increase 16 percent by 2029, with the Pacific Northwest being one of the regions that is expecting the largest load growth.
- Because of this, I hope to continue seeing efforts to incentivize energy production and look forward to working with my colleagues to make more of it possible.
- Thank you again for the chance to provide testimony today and highlight several tax and trade policies that are most important to central Washington.

Congressman Chris Pappas Statement for the Record

Committee on Ways and Means Member Day Hearing

1100 Longworth House Office Building

Wednesday, January 22, 2025

Thank you, Chairman Smith and Ranking Member Neal, for the opportunity to speak in support of a bill I helped introduce with Rep. Doug LaMalfa, the *Modern, Clean, and Safe Trucks Act.* This bill would repeal the 12% federal excise tax on heavy-duty trucks and trailers, which is the highest excise tax levied on any product in the country and can add $15,000 to $30,000 to the cost of new heavy trucks, trailers, semitrailer chassis, and tractors for highway use.

Initially introduced during World War I to support wartime mobilization, the federal government still levies this high excise tax on heavy duty trucks. The Senate previously attempted to repeal the tax in 1975, but the House failed to include the relevant provision in its version of a broader tax bill. This federal excise tax rate was last raised in 1982 to 12% and has subsequently been extended in 1987, 1991, 1998, 2005, 2012, and 2015.

Not only will repealing this tax deliver upfront cost savings for truckers and small businesses, but it will also provide downstream supply chain and cost saving benefits for consumers. Since the tax is currently paid at the time of sale and is not levied on used truck sales, it consequentially encourages the purchase of used vehicles. As a result, this legislation will support the adoption of newer, safer, and cleaner trucks that lower greenhouse gas emissions and reduce our dependence on foreign energy.

We were proud to have the support of multiple members of the Ways and Means Committee for this bill in the 118th Congress, including Rep. Darin LaHood and former Rep.

Earl Blumenauer as original cosponsors, and new Ways and Means Committee member Rep. Rudy Yakym as a cosponsor. I thank the Committee for providing the opportunity to highlight this important issue and urge you to consider this bipartisan bill which will provide immediate relief to both small businesses and consumers.

Ways and Means Committee Member Day Hearing
Rep. Brittany Pettersen (CO-07)
January 20, 2025

As the Committee on Ways and Means develops its agenda for the 119th Congress, I urge the Committee to focus on policies that bring down the cost of living for everyday Americans, address the epidemic of childhood poverty, tackle pressing issues in rural America, and help our country prepare and recover from natural disasters like wildfires and flooding.

Alleviating Childhood Poverty
Now more than ever, working families are feeling the squeeze of high costs of living and stagnating wages. Americans are struggling to choose between essential expenses for themselves and their children like housing, health care, food, clothing, and child care. Since it was first implemented, the Child Tax Credit (CTC) has been a powerful tool to help Americans keep up with the costs of daily life and address childhood poverty.

While the 2017 Tax Cuts and Jobs Act doubled the CTC for many Americans, millions of families were locked out from this economic lifeline due to income requirements. The CTC expansion included in the 2021 American Rescue Plan (ARPA) addressed this shortcoming and lifted 2.1 million families out of poverty. ARPA made the CTC fully refundable, increased the maximum benefit per child to $3,000 for children between the ages of 6-17 and $3,600 for children under the age of six. The expanded Child Tax Credit benefitted 90% of Colorado children, but now that it has expired, more than 350,000 households statewide cannot access the full credit due to the cap on its refundability. If Congress had kept the CTC expansion, 3 million children would no longer be in poverty. While we saw important CTC enhancements included in last year's *Tax Relief for American Families and Workers Act*, Congress should work to maximize the credit's refundability. Evidence has repeatedly shown that the Child Tax Credit is one of the best ways to eliminate child poverty, and I encourage the Committee to take that into consideration as they negotiate the upcoming tax package.

Investing in Child Care
For millions of working families across the country, finding safe, affordable child care is more than challenging – it's nearly impossible. Colorado families in particular face significant challenges. Recent studies show that our state is the 4th most expensive place to raise a child. The upcoming tax package provides us an opportunity to address the rising cost of child care and ensure parents have the ability to provide a better life for their families. The Child and Dependent Care Tax Credit (CDCTC) offsets the costs of one of the most burdensome monthly expenses for working families. However, the current CDCTC amount of $2,100 was set in 2001, and has not been adjusted to keep up with inflation or the current costs of child care. Today, most families pay an average of $11,582 in child care expenses.

Additionally, Dependent Care Assistance Plans (DCAPs) allow parents to contribute up to $5,000 of their pre-tax earnings to a flexible spending account that can be used for qualified child care expenses, with the option for their employers to also make contributions to the account. However, current statutory limitations on DCAPs restrict their full cost-saving potential. First, the annual maximum contribution a household can make to their DCAP is only $5,000, and does not increase if their employers choose to match their contributions. As noted above, most American families spend roughly $10,000 on child care per year, so a contribution limit of $5,000 kneecaps any potential cost savings that a DCAP provides. Additionally, families that choose to invest the maximum in a DCAP then forfeit their ability to take CDCTC for additional child care costs above this $5,000 ceiling, leaving them on the hook for more than half of their annual household expenses in this area.

I urge the Committee to pass the *Child Care Investment Act* to increase the total amounts of the CDCTC and the DCAP ceiling and index both to inflation. Additionally, Congress should ensure that DCAPs and the CDCTC are decoupled so that parents can access the CDCTC without having to sacrifice their DCAPs.

In Colorado, there are 88,500 more children than there are available child care center enrollment slots, a lack of supply that has driven up costs and held our state's workforce back. Because of this shortage, tens of thousands of parents, usually mothers, exit the labor force or pass up job opportunities to cut down on their family's child care costs. While the CTC, CDCTC, and DCAPs are helpful in bringing down child care costs for working families, the Committee should also look to solutions in the tax code to incentivize the creation, expansion, and improvement of child care facilities nationwide.

The 45F credit is a win-win for employers and workers alike: employees enjoy greater access to convenient child care near their workplace, and employers reap the benefits of stronger recruitment and retention in their workforce, while receiving greater tax savings compared to deducting child care expenses. While the credit is an effective tool for expanding child care access, there is still room for improvement and reform. Currently, the full credit is not available to all employers, including non-profit organizations, businesses that spend below the $600,000 qualifying minimum in child care investments, or businesses without federal tax liabilities. Additionally, only a fraction of employers who do qualify for the credit take advantage of it or even know about it.

The Committee should make overdue reforms to the 45F credit to improve its uptake and effectiveness, including making the credit refundable, increasing the credit rate, and developing simplified processes, greater credit rates, and other dedicated incentives for small businesses and businesses in rural areas where child care shortages are most prevalent.

Advanced Premium Tax Credit
Thanks to the premium tax credit enhancement provisions of the American Rescue Plan Act and the Inflation Reduction Act, over 200,000 Coloradans who received their health insurance through the ACA marketplace have saved over $350 in monthly health care costs. Despite its success in lowering costs for working families, the enhanced premium tax credit will expire on December 25, 2025. If we allow this vital tax credit to expire, it is estimated Coloradans will see their monthly premiums increase by an average of $787. These premium increases are expected to impact nearly 480,000 self-employed workers and small businesses, and it's estimated that 35,000 Coloradans will lose their health care coverage.

Rural Health Preceptor Tax Credit
Rural communities across the United States are facing significant health care workforce shortages that are resulting in longer wait times, reduced quality of care, increased burnout among health care workers, and unnecessary emergency room visits. The lack of medical training opportunities in rural communities is just one factor that is exacerbating these shortages.

Increasing the amount of preceptors in rural communities will expand available medical training opportunities, leading to more medical professionals practicing in these regions. According to the Journal of Graduate Medical Education, family medicine residents who spent most of their training in rural communities were five times more likely to practice in rural settings. My bill, the *Rural Health Preceptor Tax Fairness Act,* creates an increased financial incentive for medical professionals in rural communities to take on precepting duties by establishing a $1,000 non-refundable tax credit for health preceptors in rural areas.

Strengthening Community Resiliency and Post-Disaster Recovery
Communities across the United States are experiencing the devastating effects of the climate crisis – one example is our now year-round wildfire season. With over 3 million Coloradans living in the wildland-urban interface (WUI), 50 percent of our population lives in a moderate to high risk area for wildfires. Nationwide, billions of dollars are spent each year on critical disaster recovery investments, however, there isn't parity in our investments in prevention and mitigation measures to help Americans plan ahead for disasters. Currently, there are no federal tax incentives to encourage families and businesses to plan ahead for disaster resilience. I urge the Committee to consider commonsense legislation like the *Shelter Act*, allowing Americans to write off 25 percent of qualifying mitigation expenses up to $2,500 per taxpayer.

The Committee must also remove barriers for people to harden their homes, businesses, and communities. Protecting your home or business from extreme weather or wildfires shouldn't be a burdensome process with unnecessary Internal Revenue Service (IRS) paperwork. We must ensure that our constituents have every tool they need to protect their families, businesses, and homes before a disaster happens. My bill, the *Natural Disaster Property Protection Act*, would raise the IRS filing mandate for disaster mitigation projects from $600 to $5,000. The current $600 threshold does not align with average costs of home hardening projects, with wildfire mitigation alone costing roughly $2,400 per acre in parts of my district.

Low Income Housing Tax Credit
Like many states, Colorado suffers from a severe housing shortage, with a statewide shortfall of 100,000 necessary affordable homes and apartments. Many Coloradans cannot afford the rising housing costs, and especially for younger generations, buying their first home remains out of reach. The Committee must work to implement the *Affordable Housing Credit Improvement Act* to expand the Low Income Housing Tax Credit, which is the federal government's most powerful tool for building affordable housing across the country.

Expanding Retirement Security
As Americans struggle to keep up with the cost of living crisis, their ability to save for retirement is often sidelined. The challenges become even greater when someone takes time away from the workforce to be a caregiver for a child, parent, or loved one. The Committee should take action to facilitate retirement security for caregivers. My two bills, the *Improving Retirement Security for Family Caregivers Act* and the *Catching Up Family Caregivers Act*, will expand opportunities for caregivers to save for retirement by allowing them to contribute up to $7,000 annually to a Roth Individual Retirement Account (IRA), even if their income falls below that threshold, as well as allow them to make catch-up contributions to employer-sponsored retirement plans annually for up to five years out of the workforce.

Thank you for the consideration of these requests and I look forward to working together to support hardworking Americans and enact meaningful, lasting reforms to our tax code.

The Honorable David Rouzer (NC-07)
Statement for the Record of the House Committee on Ways and Means
Member Day Hearing on Priorities in the 119th Congress
January 22, 2025

Thank you, Chairman Smith, for convening this important hearing, and thank you to the Members of the House Committee on Ways and Means for allowing me to submit my comments for the record. Over the 118th Congress, House Republicans warned of the imminent tax hike scheduled to take effect should the Trump tax cuts expire. Hundreds of thousands of taxpaying citizens of my district are at risk of incurring an average tax increase of 27 percent. Extending these successful, growth-generating tax cuts will be instrumental in getting the American economy roaring again and letting hardworking Americans and their families keep more of their hard-earned income. I look forward to working with my colleagues and the Committee in the months ahead to get this done. I also want to highlight a few of my tax priorities which will make measurable impacts for my constituents.

Exempting State Disaster Mitigation Grant Programs from Federal Taxes

Natural disasters have inflicted major damage across our country this year, from Hurricane Helene in my home state of North Carolina to the devastating wildfires that are occurring right now in California. Unfortunately for many of us living in disaster-prone areas, these threats are a regularly occurring reality. Some states have created programs to provide rebates to homeowners who take steps to protect their homes from natural disasters. For example, in North Carolina, disaster mitigation program grants are available to homeowners who strengthen their residences against wind, rain, and flooding from storms. While these funds are not taxed at the state level, they are subject to federal taxes if they come from sources outside of the Federal government. Exempting these program rebates from federal taxes makes disaster improvements more affordable and accessible, better incentivizing residents and communities to safeguard their homes. I am proud to have helped lead legislation on this issue (H.R.4070, the *Disaster Mitigation and Tax Parity Act of 2023*, 118th Congress) and encourage the Committee to strongly consider its inclusion as you move forward during the reconciliation process.

Repealing the Death Tax

I am fortunate to represent many successful family farms and small businesses throughout Southeastern North Carolina. They are critical contributors to North Carolina's vibrant agriculture industry and our local economy. Unfortunately, uncertainty in the industry, falling crop and livestock prices, and increasing input costs have made it difficult for farmers to pass their family operations to the next generation, and the death tax only makes it harder to do so.

Furthermore, the death tax is fundamentally unfair. These entities already subject to taxation every year that they are in operation, and then they are taxed again when the proprietors pass away, essentially penalizing them for their success.

Given the precarious times our farmers are in, it is important we do not further burden the families who produce our food and fiber. I thank Representative Randy Feenstra for his efforts to repeal this tax (H.R.7035, the *Death Tax Repeal Act*, 118th Congress) and encourage the Committee to continue advocating for the repeal of the Death Tax as a priority in the 119th Congress.

Allowing the Beauty Industry to Claim the FICA Tax Tip Credit

President Trump has made exempting tip income from taxes a key pillar in his campaign, and I want to highlight a particular sector of our economy which would strongly benefit from such a policy – the beauty industry. While the industry mostly consists of small businesses, employers must pay FICA taxes on tips that their employees receive, a burdensome requirement on shop owners. Workers in the foodservice industry receive a credit on their FICA taxes, and beauty shops run on a similar model. Allowing employers in the beauty industry to claim this same credit is a commonsense solution which would help improve the accuracy of tip reporting. I appreciate the Committee's previous attention to this issue and Members' efforts to rectify this disparity. I was a cosponsor of H.R. 45, the *Small Business Tax Fairness and Compliance Simplification Act* in the 118th Congress and support its inclusion in any tax bill moving forward.

Restore the taxable REIT subsidiary asset test from 20 percent to 25 percent

A real estate investment trust (REIT) is currently permitted to have up to 20 percent of its investments in a C Corporation, referred to as a Taxable REIT Subsidiary (TRS) under the PATH Act of 2015. TRS is subject to regular (double) corporate income taxation. The percentage permitted for the TRS has varied between 20 percent and 25 percent since Congress created TRSs in 1999.

I support H.R. 527, the *Restore the 25% TRS Limit* (118th Congress), to increase the TRS asset limit from 20 percent to 25 percent (where it was before the *PATH Act*). Increasing the TRS limit would allow for more U.S. investment and growth as well as help companies compete abroad.

Restoring the TRS limit to 25 percent limit would not diminish a REIT's essential purpose of allowing everyday investors to participate in real estate on the same basis as wealthy individuals who can participate through partnerships and leaves intact and unchanged the 75 percent real estate asset test for REIT qualification and all the REIT income tests. Further, increasing the portion of taxable assets would increase revenues.

The American people have sent a broad message that they want change from the policies of the past four years. Congress has a golden opportunity to codify sound tax policy that protects American livelihoods, preserves America as the leader of the free world and unleashes American growth. I thank the Committee again for providing me the opportunity to share my priorities, and I stand ready to work with all of you on these efforts.

House Ways and Means Committee
Member Day Hearing Testimony
Rep. Jill Tokuda (HI-02)
10:00 AM Wednesday, January 22, 2025

Chairman Smith, Ranking Member Neal, and distinguished members of the House Ways and Means Committee, mahalo for the opportunity to testify before you today.

I am here today to testify in support of my bill, the Strengthening Pathways to Health Professions Act.

The United States is experiencing a severe shortage of healthcare workers, and the growing demand for providers coupled with widespread vacancies and increasing retirements, has left millions of patients without access to care, while placing undue stress and strain on the current workforce.

Nationally, we are facing a shortage of 40- to 60,000 physicians and this is expected to grow to 124,000 physicians by the year 2034. The nursing workforce is similarly under pressure. By 2030, we could also face a shortage of over a million nurses.

This healthcare workforce shortage threatens to strain an already overburdened healthcare system, and if we fail to act quickly, we will only continue to see increased wait times, higher rates of burnout and stress among providers, and ultimately reduced access to care for patients.

In rural America, the healthcare workforce crisis is particularly severe due to factors such as geographic isolation, lack of educational opportunities, underfunded healthcare infrastructure, increased demand for services, an older workforce, and a lack of financial incentives. Together, these factors make it much more difficult to recruit and retain healthcare workers in rural areas, leading to worse health outcomes and unequal access to care for these communities.

Hawaii's Second Congressional District, which I'm proud to represent, is one of the most rural and remote congressional districts in the country and the only one made up entirely of islands. The nearest land mass is over 2,300 miles away, meaning it can take days or even weeks for basic goods and supplies to arrive, depending on weather conditions, transportation schedules, and supply chain disruptions.

For patients in my district, many are forced to fly to another island to receive emergency or even routine medical care. For providers in my district, many spend their weeks travelling to various islands just to make sure their patients get the medications and services they need to survive.

In Hawaii, there is a statewide shortage of 757 physicians and over 22 percent—nearly a quarter—of our physicians are nearing retirement age. In the last year alone, we have seen 42 physicians retire, four pass away, 55 move away, and 212 decrease their work.

My constituents cannot afford to lose one more doctor. We also can't afford to lose one more nurse, one more specialist, one more technician. Too many lives are at stake.

Addressing the healthcare workforce crisis in the United States, particularly in rural and remote communities like those I represent, will require targeted policies that incentivize healthcare professionals to train and practice in underserved areas and help improve and stabilize access to care for all Americans.

That is why I introduced the Strengthening Pathways to Health Professions Act, a bill to increase access to federal programs that help grow and strengthen the pipeline of healthcare professionals in primary care, mental and behavioral health, and dental services.

At the federal level, the Health Resources and Services Administration (HRSA) supports the health workforce by providing health professions scholarship and loan repayment in return for service in rural and underserved communities. However, federal income taxes effectively reduce the financial benefit of health scholarships and medical loan repayment awards.

To address this issue, my bill would amend the Internal Revenue Code to provide tax exempt status to key health workforce programs: the Nurse Corps Scholarship and Loan Repayment Programs, the Native Hawaiian Health

Scholarship Program, the Faculty Loan Repayment Program, the Child and Adolescent Mental Health Pediatric Subspecialty Loan Repayment Program, and the Substance Use Disorder Treatment and Recovery Loan Repayment Program.

If awards are exempt from federal income tax, more funds would be available for HRSA to make additional or higher awards to increase participation in the program. In addition, awardees—which include students, residents, faculty, and providers—would receive the full benefit of their financial awards to pay for tuition, fees, and other educational costs, without the added tax burden.

Funds awarded through the National Health Service Corps Loan Repayment Program are already exempt from federal income and employment taxes, and my bill would provide parity in tax treatment to these important scholarship and loan repayment programs.

The Strengthening Pathways to Health Professions Act takes a targeted approach to addressing the healthcare workforce crisis by boosting the value of federal scholarship and loan repayment awards that support aspiring healthcare professionals and enable us to recruit and retain more providers in rural and underserved areas.

I am proud to have the support my Bipartisan Rural Health Caucus colleague, Carol Miller of West Virginia, who co-led the introduction of this bill with me, alongside Jimmy Panetta of California and Greg Steube of Florida – all distinguished members of this committee.

Chairman Smith and Ranking Member Neal, thank you for your efforts to ensure every American, regardless of their zip code and their life circumstances, has access to the high-quality, affordable healthcare that meets their needs. I look forward to working with you and my colleagues on this committee to advance my bipartisan bill and other efforts that will help us strengthen the pipeline of healthcare workers in the United States.

Mahalo.

Chairman Smith, thank you for offering this opportunity to advocate for our constituents' priorities, as Congress looks to extend the historic tax cuts President Trump enacted in 2017.

That year, a Republican-led Congress passed historic tax legislation that generated an unprecedented economic boom in America. The Tax Cuts and Jobs Act (TCJA) was the result of years of work to find the best mix of policies to unleash the potential of American industry, while lowering tax rates for hardworking taxpayers.

Unfortunately, many of those tax policies are expiring and must be renewed. I strongly support the Chairman's efforts to give Missouri businesses the tools they need to compete in international markets and extend the tax provisions that allowed for the economic growth we witnessed after the passage of the Tax Cuts and Jobs Act.

I also appreciate the Chairman for hosting a roundtable in my district, where we heard from local business leaders about their priorities for a package to extend those critical policies. As we discussed during our productive conversation, local businesses, employees, and the Saint Louis area economy will be seriously harmed if President Trump's tax cuts expire. The average taxpayer in Missouri's 2nd District would have their taxes raised by 20%, a nearly unmanageable cost, especially in the wake of Joe Biden and Kamala's Harris' rampant inflation.

I want to highlight a few provisions that are of particular importance to my district.

First, the estate tax should be completely eliminated to prevent the government from taking even more of Missouri families' hard-earned dollars. This tax can often impact family businesses that are the backbone of our nation. Death simply should not be a taxable event, and I have signed onto legislation in multiple successive Congresses to repeal this misguided tax.

Second, a tax extenders package must maintain or even lower the 21% corporate rate established under the TCJA. Lower corporate income tax rates encourage investment, increase productivity, and expand job opportunities.

Third, the final package should include a legislative fix to 1099-K reporting requirements. Last year, I sent a bipartisan letter with Representatives Pappas and Burchett to Chairman Smith requesting that the current $600 IRS reporting threshold for payments made on e-commerce platforms such as Venmo and PayPal be increased. The current threshold would result in millions of Americans receiving new and confusing tax forms for online transactions that should not be counted as taxable business transactions.

Finally, I would ask that any tax package makes the Section 199A pass-through deduction permanent. This deduction was first enacted in the TCJA and provides over 25 million small businesses organized as S-corporations, partnerships, LLCs, and sole proprietorships tax parity with publicly traded C-corporations. Missouri's Main Street business rely on this deduction to remain competitive both here and overseas.

I thank you for your consideration and look forward to working with the Committee to extend and strengthen the TCJA.

RANDY WEBER
MEMBER OF CONGRESS
FOURTEENTH DISTRICT, TEXAS

Written Testimony of U.S. Representative Randy Weber

U.S. House Committee on Ways & Means
Member Day Hearing on Matters Within the Committee's Tax Jurisdiction
Wednesday, January 22, 2025

Hydrogen will play a critical role in the future energy economy and energy security of the United States and **key policies like section 45V** will support development of this nascent industry.

Hydrogen can be produced from a variety of feedstocks, including natural gas, renewable biogas, and electricity, or sourced from naturally-occurring deposits, providing an opportunity to utilize all of our domestic resources across the country, create jobs, and advance energy security and global competitiveness, all the while supporting broader economy-wide decarbonization in transportation, power generation, and our industrial sector.

Southeast Texas is the site of the Gulf Coast Hydrogen Hub (HyVelocity H2Hub). The hub will create approximately **45,000 direct jobs—35,000 in construction jobs and 10,000 permanent jobs**. Projects in the HyVelocity H2Hub are supported by **key tax policies like the 45V hydrogen production tax credit**, which is critical to the success of these projects and the new jobs and investment they will bring.

Section 45V and the Gulf Coast Hydrogen Hub will help kickstart the clean hydrogen economy with its plans for large-scale hydrogen production through both natural gas with carbon capture and renewables-powered electrolysis, leveraging the Gulf Coast region's abundant renewable energy and natural gas supply to drive down the cost of hydrogen—a crucial step to achieving market liftoff.

The hydrogen industry shows tremendous promise in driving domestic economic growth and manufacturing as we scale-up our electrolyzer development. **The hydrogen industry also offers an opportunity for the oil and gas workforce to continue to use their skills and talents through retraining and workforce development initiatives**, with the Department of Energy predicting that hydrogen production and utilization will drive creation of 100,000 new jobs by 2030. These investments are supported by policies like 45V and the Regional Clean Hydrogen Hub program which are locating projects across the country, including Michigan, Ohio, Pennsylvania, North Dakota, South Dakota, Minnesota, Indiana, Illinois, Montana, Texas, West Virginia, and more.

A large majority of these states supported President Trump's policy agenda to unleash energy production that utilizes all our abundant resources and will take a true "all of the above" approach that will drive innovation and efficiencies while reducing costs for Americans. President Trump has declared a National Energy Emergency where the U.S. is facing a "precariously inadequate and intermittent energy supply, and an increasingly unreliable grid" that threatens national security. To achieve our short-, mid- and longer-term goals, hydrogen needs to be a part of our energy mix.

The hydrogen market is also growing at a rapid pace internationally. **The United States currently has a unique opportunity to solidify its global leadership in hydrogen production** of all kinds and to ensure

107 CANNON BUILDING
WASHINGTON, DC 20515

350 PINE ST., SUITE 730
BEAUMONT, TX 77701

122 WEST WAY, SUITE 301
LAKE JACKSON, TX 77566

174 CALDER ROAD, SUITE 150
LEAGUE CITY, TEXAS 77573

America retains its leading position as a producer and provider of all forms of energy. To ensure our country retains its leading position, we need to retain continued policy support with provisions like 45V, particularly in this early stage of development and deployment. Otherwise, we may lose our hydrogen energy lead to countries like China that are investing billions of dollars in this sector.

Also as critically, once we lose that lead to China, we will also lose the important contribution to energy security and the tens of thousands of direct jobs that come with the hydrogen market.

Randy K. Walen

Chairman Smith, Ranking Member Neal, and members of the committee, thank you for holding this important hearing.

Each of the policies I will address today are of the utmost importance to my constituents, but I want to begin with a bill that I have sponsored for several years now.

My district, the Fourth District of Arkansas, is expansive and rural, and while I have the privilege of advocating for a wide variety of people from all walks of life, what they all have in common is a shared frustration with the cost and accessibility of care. Throughout my time representing Arkansas' Fourth Congressional District, I have introduced a bill every Congress that I see as a solution to the health care issues faced by most Americans, the Fair Care Act. This bill returns competition to the health care marketplace, lowers prices for drugs, coverage, and care, and gives every American the ability to take control of decisions affecting their health care.

I am proud to have seen so many policies included in Fair Care become part of other legislative packages that have passed committees with resounding bipartisanship, and even signed into law. As I work to refine this legislation for reintroduction in the 119th Congress, I look forward to working with the Ways and Means Committee on several components of the bill, such as provisions that modernize Health Savings Accounts, improvements to Medicare and Medicaid to further increase transparency, lower costs, and ensure program solvency, and create further flexibilities in telehealth to better serve rural populations. These broad-ranging solutions come from my own personal convictions as well those who have dedicated their lives to improving the quality of life of others. I hope this legislation can stimulate conversation and serve as a starting point for how we can take the next steps to reform the broken health care system.

Next, I'd like to highlight a few of the many critical tax cuts set to expire at the end of the year. I want to thank the Chairman and members of this committee for their diligent work already being done to preserve these transformational policies.

Nearly 30,000 small businesses in my district benefit from the 199A Small Business Deduction, which is currently scheduled to end at the end of this year. These businesses will see their tax rate leap to 43.4 percent, endangering thousands of jobs and putting stress on our Main Street businesses already battling workforce shortages, rising costs and supply chain challenges. I would like to thank our colleague, Mr. Smucker, for reintroducing his Main Street Tax Certainty Act, which would make the 199A deduction permanent. As I did last Congress, I will be cosponsoring his legislation and encourage this committee to move it forward.

I would also like to thank Mr. Feenstra for leading legislation that addresses another area of extreme concern for my constituents, the Death Tax. Arkansans, and Americans across the country, count on farmers to put food on the table. It is unthinkable that during a time of personal tragedy, farmers and small business owners are faced with a massive tax bill that often jeopardizes their ability to carry on the family business. We should reward family businesses that spur economic growth and provide tremendous value to our communities. I am pleased to once again cosponsor this legislation and urge you all to move this bill forward.

I thank the committee for holding this important hearing and look forward to working with you all to deliver results for the American people.