

Ways and Means Member Day Hearing

Testimony of Congressman Derrick Van Orden (WI-03), as prepared January 22, 2025

Good morning, Chairman Smith and other members of the Committee on Ways and Means. Thank you for giving me the opportunity to speak here today.

As we discuss this upcoming reconciliation package and the expiration of various tax provisions at the end of this fiscal year, I am here today to emphasize three key points that must be included in any package. **No Tax on Tips, No Tax on Social Security, and the extension of President Trump's 'Tax Cuts and Jobs Act' or TCJA.**

From the age of 16 until I joined the U.S. Navy, I supported myself by working in a restaurant, so I personally understand how important tips are for folks who rely on them as their main source of income. In Wisconsin, many tipped workers make \$2.33/hour, meaning that the more of their tips they can take home, the better suited they will be to provide for themselves and their families.

That is why I am proud to have supported the No Tax on Tips Act in both the 118th and 119th Congresses. The No Tax on Tips Act will eliminate taxes on tipped wages, allowing Americans to keep more of their hard-earned dollars in their pockets. Specifically, this bill will allow tipped taxpayers to claim a 100% above-the-line deduction at filing for tipped wages. This is a provision that was first championed by President Trump, and is a critical step toward reversing the disastrous economic policies put forth by the Biden-Harris administration that sent inflation soaring. We in Congress must do everything we can to put more money back in the pockets of hardworking Americans.

Similarly, we must ensure that our senior citizens are taken care of and their benefits are protected. Last Congress, I was proud to cosponsor the Senior Citizens Tax Elimination Act, which assists middle-class seniors by eliminating the double tax on Social Security benefits. Like the tax on tips, this tax relief would help ease the financial burden caused by rising costs for essentials like groceries, housing, and prescription medications. I take my commitment to our senior citizens seriously and will always work to ensure they are taken care of and their benefits are protected.

And finally, we must extend the historic tax cuts that were put into place by President Trump in 2017. These tax cuts were responsible for the incredibly strong economy we saw under President Trump's first term. The reduction in individual income tax rates and the expansion of the standard deduction have provided significant relief to Wisconsin families. Letting them expire would hit working-class Wisconsinites in my district incredibly hard.

I realize there has been a lot of conversation around the cost of such an extension, but I urge my colleagues here to be cautious of these cost estimates. The CBO projects have increasingly fallen short of accurately reflecting economic realities.

More importantly, the cost of inaction—higher taxes on families, reduced economic growth, and increased financial strain—is too great to ignore. We must prioritize long-term prosperity over short-term budgetary concerns.

Chairman Smith and members of the Committee, the policies I've outlined today — No Tax on Tips, No Tax on Social Security, and the extension of President Trump's TCJA —are essential to safeguarding the financial security of families in Wisconsin and across the country. These measures will support hardworking Americans, alleviate the burden of inflation, and continue the economic momentum we built under President Trump's first term.