



MORE jobs | FAIRER taxes | BIGGER paychecks

THE FACTS ON THE UNIFIED TAX REFORM FRAMEWORK

RHETORIC: The plan is just a tax cut for the rich.

REALITY: The framework is focused squarely on helping middle class families. The goal is a simple and fair tax system that allows low- and middle-income workers to keep more of their hard-earned paychecks.

The framework is clear that the tax code will remain at least as progressive as it is today and will not shift the tax burden from high-income to lower or middle-income families.

It nearly doubles the standard deduction so the first \$12,000 earned by an individual and \$24,000 earned by a married couple is completely tax-free. The framework also lowers tax rates and significantly increases the child tax credit and creates a new \$500 tax credit for families caring for non-child dependents.

RHETORIC: The tax plan does not directly help middle class families. It actually increases the bottom bracket from 10% to 12%.

REALITY: This plan reduces taxes for lower and middle-income families. More people will see a greater share of their income in the zero percent tax bracket, meaning more of their paycheck will be protected from federal income taxes. It does so by nearly doubling the standard deduction so the first \$12,000 earned by an individual and \$24,000 earned by a married couple is completely tax-free. The framework also lowers tax rates and significantly increases the child tax credit, and also creates a new \$500 tax credit for families caring for non-child dependents. The committees are working on additional tax relief for middle-income families.

RHETORIC: The tax plan eliminates most itemized deductions, which hurts middle-income families.

REALITY: The elimination of most itemized deductions will have NO impact on the vast majority of families. For the 30% of taxpayers who itemize today, the benefit of lower tax rates, a larger standard deductions and enhanced child tax credits will largely outweigh the loss of itemized deductions.

The plan also retains the deductions for home mortgage interest and charitable contributions - two of the most popular deductions.

RHETORIC: This framework just benefits big business and large corporations.

REALITY: This framework delivers tax relief to middle class Americans. It also drastically lowers tax rates for Main Street job creators from almost 40% to 25% - and that will help create jobs in every community across our country.

RHETORIC: The lower tax rate for pass-through businesses will be a massive loophole the wealthy can use to avoid paying their fair share of taxes.

REALITY: This new, lower rate for Main Street job creators is key to delivering more jobs, bigger paychecks, and fairer taxes. As tax reform moves forward, Congress will develop sound rules to ensure this much-needed tax relief goes to the local job creators it is designed to help and that no one will game the system.



MORE jobs | FAIRER taxes | BIGGER paychecks

THE FACTS ON THE UNIFIED TAX REFORM FRAMEWORK

RHETORIC: The Tax Reform plan will add trillions to the debt.

REALITY: It will be a fiscally responsible bill and it will make real reforms to the tax system, and will grow the economy. The plan will be fully or mostly paid for with a combination economic growth and reforms that “broaden the tax base,” and by eliminating special interest tax breaks.

Democrats simply have no credibility when it comes to the issues of deficits and debt given they presided over a near doubling of the national debt over the past eight years. The debt nearly doubled, skyrocketing by more than \$9 trillion under President Obama with more than \$1 trillion being added to the debt every year during his first term alone. The Obama administration’s focus on redistribution, rather than economic growth, resulted in eight years of weak economic performance, to the determinant of the middle class.

RHETORIC: Repealing the Death Tax only benefits the wealthy.

REALITY: The Death Tax hurts family-owned businesses and farms. President Trump campaigned on repeal and many Democrats have voted to repeal it in the past.

Hard-working Americans pay taxes all their lives on the money they earn, the food they buy, the gas they put in their car. It isn’t fair or right that they pay a double tax when passing on what they built to their children.

The Death Tax, an unfair double tax, impacts family-owned businesses and farms throughout the nation, burdening those who have worked their entire life to build a successful company and create jobs. These families should not have to fear double taxation from Washington when they pass down their life’s work to the next generation. This fact is acknowledged by many democrats like Sens. Ron Wyden, Bill Nelson, Joe Manchin, Dianne Feinstein, and Patty Murray who’ve voted to repeal it.

One recent survey shows that the death tax is the third biggest concern cited by family-owned business, following income taxes and regulations. According to the same survey, 21% of business owners said they would have added more jobs if they did not have to set aside assets to pay the death tax.

In 2016, they incurred an average of \$74,940 in insurance for estate taxes, an average of \$170,800 in other estate tax planning costs and an average of 13% of their time was spent planning for estate taxes.

RHETORIC: Republicans are excluding Democrats by using reconciliation.

REALITY: Republicans welcome Democrat support – after all, Americans in every corner of the country need more jobs and larger paychecks. We will certainly work with members on both sides of the aisle who are serious about delivering pro-growth tax reform that helps hard working middle class Americans.

Furthermore, nothing says reconciliation has to be partisan, and it has historically been a bipartisan process. In fact, the so-called Bush Tax Cuts of 2001 and 2003 were passed through reconciliation and both Republicans and Democrats voted in favor of them, and in 1997, President Clinton and a GOP Congress used it to pass bipartisan budget and tax bills.