

AFL-CIO

LEGISLATIVE ALERT

June 13, 2023

The Honorable Jason Smith, Chairman
Committee on Ways and Means
U.S. House of Representatives

The Honorable Richard Neal, Ranking Member
Committee on Ways and Means
U.S. House of Representatives

Dear Chairman Smith and Ranking Member Neal:

On behalf of the AFL-CIO, I write in opposition to the “American Families and Jobs Act”, scheduled for markup this week in the House Committee on Ways and Means. On the heels of House Republicans threatening to drive our country into a catastrophic default on the federal debt over concerns of a fabricated debt crisis, your Committee now plans to consider legislation that would increase the deficit by extending the 2017 Trump tax cuts.

The legislation comprised of three bills: the “Tax Cuts for Working Families Act” (H.R. 3936); the “Small Business Jobs Act” (H.R. 3938); and the “Build It In America Act” (H.R. 3938), would mostly benefit the richest one percent of Americans. According to the Institute on Taxation and Economic Policy (ITEP), the legislation would result in the richest fifth of Americans receiving \$61 billion in tax cuts next year while the poorest fifth of Americans only receiving \$1.4 billion in tax cuts.

At the core of the legislation are tax-cutting provisions on research and development expensing, bonus depreciation and interest expense deductions that expand corporate and business tax breaks that were enacted in 2017 as part of the Trump tax law, the Tax Cuts and Jobs Act. Though the legislation enacts these cuts for only two years, it has been well documented that its proponents plan to make these business cuts permanent. The Committee for a Responsible Federal Budget estimates that if all these provisions were made permanent, the American Families and Jobs Act would result in more than \$1 trillion in revenue losses over the next ten years.

On top of what we would argue is bad tax policy, the legislation would also be offset mostly by repealing energy incentives from President Biden’s Inflation Reduction Act. While the legislation does provide an increase in the standard deduction which would lower the tax liability for some middle income tax filers, new analysis from the Tax Policy Center suggests that the largest tax savings from increasing the standard deduction would go to those with the highest incomes, leaving middle-income workers with just a quarter of the total benefit and low-income families with even less.

For the above reasons, the AFL-CIO urges you to vote against the “American Families and Jobs Act”.

Sincerely,



William Samuel
Director, Government Affairs