



LEGISLATIVE ALERT

May 13, 2025

The Honorable Jason Smith, Chair
U.S. House Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Richard E. Neal, Ranking Member
U.S. House Committee on Ways and Means
1129 Longworth House Office Building
Washington, DC 20515

Dearing Chairman Smith and Ranking Member Neal:

On behalf of the AFL-CIO, I write in strong opposition to the Committee's legislative proposal to comply with the reconciliation directive included in section 2001 of the Concurrent Resolution on the Budget for Fiscal Year 2025 (H.Con.Res.14). This bill would deliver at least \$5 trillion in costly and unnecessary tax breaks that overwhelmingly go to the top 1% and large corporations—while slashing support for the very people who need it most.

To offset these tax giveaways, the overall budget resolution calls for over \$1.5 trillion in cuts to essential programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), public education, job training, and other vital supports for low-income and working families. This legislation reflects dangerously misplaced priorities: it prioritizes tax policies that reward the ultra-wealthy and profitable corporations, not working families; it undermines critical public services by draining federal support, pushing the burden onto state and local governments—likely resulting in cuts to services and public sector job losses; and it ignores key national priorities, such as strengthening the Child Tax Credit (CTC), Earned Income Tax Credit (EITC), and affordable healthcare and housing.

For example, while the bill before Ways and Means proposes increasing the CTC from \$2,000 to \$2,500 over the next four years, that increase would only benefit families who already qualify for the full credit due to their income levels. Currently, 17 million children from low-income families don't receive the full CTC. This includes about 39% of African-American children and 70% of children in single-mother households. Under the proposed bill, these families would see no additional support—while higher-income families earning up to \$400,000 could receive an extra \$500 per child. In effect, the bill would deepen existing inequalities in how the credit is distributed.

The bill would strip eligibility from millions of immigrant families. Under current law, about 1 million children in immigrant households—many of them Dreamers—are already excluded from receiving the credit. The credit would be denied to an additional 4.5 million U.S. citizen and legal resident children simply because a parent lacks a Social Security number.

Moreover, it denies Medicare eligibility to many categories of previously eligible lawful immigrants, who have worked and paid into the program for years with the promise that health care would be available when they need it.

The bill also prematurely ends critical tax credits from the Inflation Reduction Act. These credits are designed to boost domestic manufacturing, energy production, innovation, and job creation. They have already created hundreds of thousands of jobs across the country. Terminating or otherwise rolling them back will put Americans out of work, hobble innovation, reduce domestic energy production, and weaken our supply chains, making us more reliant on foreign competitors.

The bill includes other poison-pill provisions, such as one to grant the executive branch the power to harass any nonprofit organization with whom it may disagree. While supporting terrorist organizations is already illegal, this provision would give the Secretary of the Treasury broad new discretion to label a nonprofit as a “terrorist supporting organization,” triggering either suspension of their tax exempt status or existential litigation that threatens the same. Particularly given the current Administration’s penchant for targeting Americans and their organizations based on their speech, this new power aimed only at nonprofits is ripe for unconstitutional abuse.

Because this bill prioritizes the wealthy at the expense of working families and threatens jobs and freedom, we urge you to vote no.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Calamine", written in a cursive style.

Jody Calamine
Director, Government Affairs