



Talking Points on Tax Extenders for Lame Duck – Nov. 12, 2014

- **It's a bad signal to send to the American people that the first order of business after the election is to give big tax breaks to business.** Congress should prioritize passing legislation that helps ordinary people survive in this economy, not give more handouts to big corporations.
- **The Senate's EXPIRE Act already provides too many breaks for corporations and should not be expanded.** Americans for Tax Fairness, a coalition of hundreds of organizations, is opposed to the EXPIRE Act, which has already passed the Senate Finance Committee. It costs \$85 billion over two years – 80% of it is corporate/business tax breaks. Corporate tax breaks should be paid for by closing other corporate tax loopholes.
 - **15% of the costs of the EXPIRE Act – \$13 billion – are tax breaks for companies that ship profits and U.S. jobs offshore.** (Active Financing Exception and CFC Look Through Rule] Congress should be closing offshore tax loopholes, not continuing them. Two-thirds of voters want to end such tax breaks.
- **The Senate should reject proposals to make any of these tax cuts permanent without offsetting the costs by closing tax loopholes.** While we may not agree on the importance of maintaining these corporate tax breaks, we should be able to agree that the large costs of making them permanent should be offset by closing other corporate tax loopholes. It is time to end the double standard whereby tax cuts for corporations are NOT paid for, while services and other vital investments MUST BE paid for.
 - This year conservatives demanded that \$10 billion in benefits for the long-term unemployed be paid for.
 - In December, conservatives demanded that any increase in spending under the adjustments to the budget sequester be paid for by equal cuts in other spending.
- **The Senate should reject proposals that make permanent business breaks unless it makes permanent an equal number of breaks for low-income working people.** Example: if Congress decides to make the Research and Experimentation tax credit permanent (House cost \$155 billion/10 years) then it must make permanent the improvements to tax credits that benefit low and moderate-income families that were in the ARRA stimulus bill.
 - We want dollar-for-dollar parity: for every dollar you give in corporate tax breaks, we want a dollar in tax credits to go to working families.
 - It will cost \$155 billion to permanently extend the Research and Experimentation tax credit that passed the House. That is about the cost of extending improvements to the refundable tax credits benefitting low- and moderate-income families that expire in 2017 – the EITC (\$25 billion), the Child Tax Credit (\$72 billion) and the American Opportunity Tax Credit (\$70 billion). The AOTC enables undergraduate students or their parents to claim up to \$10,000 in tax credits for education expenses over four years.