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TAX FAIRNESS GROUP BLASTS COSTLY GIVEAWAY TO WEALTHY BUSINESSES IN CORONA AID BILL

Wealthy Business Owners Allowed to Transform Pre-Crisis Losses Into Gains

WASHINGTON – A tax fairness watchdog today blasted two little-noticed provisions in the recently enacted [Coronavirus economic rescue package](#) that hand wealthy business owners and corporate shareholders about \$200 billion in tax breaks. In a [letter to members of Congress](#), Americans for Tax Fairness (ATF) called for curtailing the provisions and putting the money towards critical needs in the next COVID-19 aid bill now taking shape on Capitol Hill.

The two provisions temporarily repeal two parts of the 2017 Trump-GOP tax law that limit the use of business losses to lower tax bills. With the economy shut down, most businesses will rack up huge losses this year; allowing them to use those losses to lower their taxes and free up precious cash makes some sense. But the new law goes much further, handing corporations and owners of the biggest non-corporate businesses—such as real estate firms like the Trump Organization, hedge funds and Wall Street law firms—gratuitous tax breaks that bear no relation to the current emergency and waste precious dollars that could be saving those in dire need.

Among the most gratuitous aspects of these tax-cut giveaways is that companies will be given greater scope to write off losses not only from this pandemic-ravaged year, but from the healthy and prosperous years of 2019 and 2018 as well. And the only business owners who stand to benefit from the new loss rules for non-corporate firms will be couples who make over a half million dollars *in addition to* their business income.

The provisions' total 10-year price tag of \$195 billion exceeds what the rescue package spends on aid to hospitals and other healthcare providers (\$180 billion) and direct assistance to state and local governments (\$150 billion).

“With doctors and nurses begging for equipment, state budgets breaking under the economic strain, and neighborhood restaurants and gyms going down for the count, Republicans in Congress prioritized generous tax breaks for the wealthy businesses best able to withstand the crisis,” said ATF executive director Frank Clemente. “Congress should use the next coronavirus bill to address this outrage.”

Sen. Sheldon Whitehouse (D-RI) and Rep. Lloyd Doggett (D-TX) in a [letter to Vice President Pence and others today](#) have also raised concerns about this tax giveaway. The tax breaks are explained in greater detail in [this blog post](#) from the Institute for Taxation and Economic Policy (ITEP).