

51 NATIONAL GROUPS OPPOSE NEW BRADY HOUSE TAX-CUT PACKAGE

November 29, 2018

Dear Representative:

We strongly urge you to oppose the partisan 300-page [tax package](#) brought out suddenly and without notice Monday by outgoing Ways and Means Committee chairman Kevin Brady and being rushed to the House floor without hearings or consideration in committee. We have three principal objections:

- Any new tax legislation should get rid of the tax incentives that encourage corporations to outsource jobs and factories to low-wage countries, like General Motors is doing in Mexico.
- Rather than tinker with a bad law—the Tax Cuts and Jobs Act—that is opposed by most voters as shown on Election Day, Congress should be repealing its tax breaks for the wealthy and corporations to protect Social Security, Medicare and Medicaid and to generate the revenue needed to make new investments in education, rebuilding infrastructure, and protecting working families.
- The legislation includes a usual end-of-year Christmas tree of gifts for all sorts of wealthy special interests.

Congress must reject further tax breaks for corporations such as are included in Brady's bill and instead work to reverse one of the worst parts of the Trump-GOP tax overhaul enacted in late 2017: increased incentives for corporations to outsource production and jobs. Outsourcing can be devastating to workers and entire communities – as we have seen with General Motors's recent decision to [close factories in the United States](#)—costing thousands of American jobs—after [shifting production to Mexico](#) last summer.

By taxing foreign profits at about half the rate of domestic ones, the Trump-GOP tax law entices U.S. corporations to shift profits and send production and jobs offshore. Your colleague Rep. Lloyd Doggett has introduced the "[No Tax Breaks for Outsourcing Act](#)" to address these threats to American jobs and federal revenue.

The bill, with [77 cosponsors](#), would end the preferential tax treatment of foreign income, which is in effect a penalty on domestic production and American workers, by taxing all corporate income from whatever source at the same rate. It would also end the tax-free status of certain offshore profits: the new law allows corporations to exempt from U.S. taxation a 10% return made on foreign tangible assets, such as factories.

Congress should also not be passing any more unpaid-for tax breaks, such as the [\\$55 billion](#) that the Brady package costs. Republican leaders from President Trump to Senate Majority Leader Mitch McConnell are demanding that Congress slash critical government services next year to address the \$1.9 trillion increase in the debt being caused by the tax breaks they rammed

through Congress a year ago. Instead, Congress should be voting to repeal those tax breaks for the wealthy and corporations in order to ensure that critical services such as Social Security, Medicare, Medicaid and more are protected from cuts, and that we generate the revenue needed for major new investments that working families are demanding to make their lives more secure and affordable.

The Brady bill should also be opposed because it contains handouts and favors for narrowly tailored and wealthy special interests such as NASCAR race track owners, race-horse breeders, movie producers, [venture capitalists](#), and [paid tax prep companies](#). Of even greater concern, the so-called “technical corrections” in this legislation that corporations have demanded could be very costly. Congress should at least have a hearing to review these changes—especially since they are a consequence of the rushed, secretive and partisan process of passing the tax law last year.

For all of these reasons, we urge you to vote no on the new Brady tax-cut legislation.

Sincerely,

9to5, National Association of Working Women
AFL-CIO
Alliance for Retired Americans
Amalgamated Transit Union (ATU)
American Family Voices
American Federation of Government Employees (AFGE)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers
Americans for Democratic Action (ADA)
Americans for Financial Reform
Americans for Tax Fairness
Center for Medicare Advocacy
Center for Popular Democracy
Coalition on Human Needs
Communications Workers of America (CWA)
Economic Policy Institute
Ecumenical Poverty Initiative
Global Justice Institute
Health Care for America Now (HCAN)
Institute on Taxation and Economic Policy (ITEP)
International Association of Machinists & Aerospace Workers
International Federation of Technical and Professional Engineers (IFTPE)
International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW)
Main Street Alliance
MomsRising

National Advocacy Center of the Sisters of the Good Shepard
National Association for Hispanic Elderly
National Education Association (NEA)
National Employment Law Project
National Employment Lawyers Association
National Health Care for the Homeless Council
National Organization for Women (NOW)
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
Positive Women's Network-USA
Public Citizen
RootsAction.org
Service Employees International Union
Social Security Works
Stand Up America
Take on Wall Street
Tax March
The John Leary Organization
The Shalom Center
UnidosUS
UnidosUS Action Fund
United Steelworkers (USW)
UNITE HERE!
Voices for Progress
Working America
Xaverian Brothers