



August 12, 2020

Dear Member of Congress:

On behalf of the more than 400 endorsing organizations in the Americans for Tax Fairness coalition, I urge you to oppose inclusion in the next coronavirus-aid package costly tax breaks for corporations and businesses not directly tied to social benefits like the retention of workers, extension of credit to struggling small businesses, and employee paid leave.

Our coalition was grateful that the House-passed Heroes Act largely eschewed these corporate and business tax breaks, with the exception of allowing recipients of forgiven Paycheck Protection Program (PPP) loans to deduct these government-covered expenses from their taxable income.

Importantly, the Heroes Act repeals one of the most egregious tax breaks in the CARES Act, the “Millionaires Giveaway” net operating loss (NOL) provision. This huge tax cut for the wealthiest owners of noncorporate businesses, [especially hedge fund investors and real estate developers](#), showers [\\$135 billion](#) on those who need it least. According to the Joint Committee on Taxation, this outrageous giveaway hands 82% of the tax cut this year—an average tax cut of \$1.6 million each—to just [43,000 privileged business owners](#) already making over \$1 million a year.

The Heroes Act correctly redirects the money saved from the Millionaires Giveaway repeal to much-needed support for the unemployed, state and local public services, healthcare, and other important purposes. The Senate should do the same.

The House in its Heroes Act thankfully shut out lobbyists seeking to exploit the pandemic for unrelated tax breaks to fatten corporate profits. Unsurprisingly, though, [high-priced K Street lobbyists](#) are still working tirelessly to secure costly tax favors for their corporate clients in the final legislative package. Under cover of crisis they hope to insert a costly tax-cut agenda, much of which predates the pandemic, but now dressed up with a thin veneer of helping Americans afflicted by the emergency.

Their desired tax cuts likely to deliver windfalls to corporations and wealthy business owners that we ask you to oppose include:

- Making general business tax credits refundable.
- Permanently extending the TCJA’s full expensing provision.
- Expanding the R&D tax credit.
- Providing tax breaks for U.S. multinationals onshoring intellectual property currently held in offshore tax havens.
- Doubling the business-meals tax deduction from 50% to 100%.
- Permitting businesses to deduct the expenses paid with their taxpayer-financed PPP loans, [allowing them to double-dip on taxpayers](#) contrary to IRS guidelines.

The arguments used to sell these “coronavirus” tax breaks are redolent of the grandiose promises made in 2017 about the effects on job creation, increased worker pay, business investments and economic growth that would come from the Tax Cuts and Jobs Act (TCJA). On the bill’s two-year anniversary—well before the pandemic—those promises [weren’t close to being realized](#). But the tax savings for corporations have been very real: one reason refundability has climbed up the tax-cut wish list is that [far fewer corporations have any tax liability in the wake of the TCJA](#).

We commend the [108 legislators who signed the Brown-Whitehouse-Doggett-DeLauro-Cohen](#) letter to leadership opposing further tax breaks for corporations in the next pandemic relief bill. We encourage you to support the principles outlined in their letter. [Fifty-six national groups are similarly opposed to wasteful tax cuts](#) that don’t relieve the physical suffering and economic hardship of working families and communities but instead further enrich corporations and the wealthy.

Corporations and their wealthy owners don’t need more tax breaks—they continue to thrive even in the midst of our national emergency. Just 467 of America’s nearly 650 billionaires—most of whom derive their wealth from major corporations seeking to pay lower taxes—have seen their [collective wealth grow by 30% or \\$732 billion](#) between March 18, the rough start of the pandemic, and August 5. Jeff Bezos, the world’s richest man, has seen his wealth soar by 63% or \$71.3 billion. Elon Musk’s wealth has nearly tripled, from \$24.6 billion to \$70.5 billion. Mark Zuckerberg is now worth \$92.7 billion, 69% more than in mid-March.

Economic inequality—already a moral and practical crisis before COVID-19—has gotten worse even as it’s become more obvious during the pandemic. We stand ready to work with you to ensure that corporations, wealthy business owners and their high-priced lobbyists aren’t able to use this emergency to insert into a final deal tax cuts that will only exacerbate that demoralizing and destabilizing inequality

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Clemente", with a long, sweeping underline.

Frank Clemente
Executive Director