

70 NATIONAL ORGANIZATIONS SUPPORT FEDERAL TAX REFORM THAT PUTS WORKING FAMILIES FIRST

July 17, 2017

Senator Orrin Hatch
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

VIA EMAIL: taxreform2017@finance.senate.gov

Dear Chairman Hatch:

The 70 undersigned organizations believe that our current tax system prioritizes tax loopholes over investing in our communities, values wealth over work, and favors multinational corporations over Main Street businesses.

We believe tax reform should close the tax loopholes that allow the wealthy and large, profitable corporations to dodge and delay paying hundreds of billions of dollars in taxes every year. It should provide much more revenue to invest in the American people and create jobs through education, health care, public infrastructure, retirement security and more. Real tax reform should narrow America's ever-widening and dangerously destabilizing income and wealth gaps. Real tax reform should raise revenues to improve the federal government's long-term fiscal health for our children and grandchildren.

"Tax reform" should not mean more tax giveaways for the wealthy and big corporations that are already flourishing. As you craft legislation this year, we hope you will put working families first and be guided by the following principles:

- 1. Corporations and the wealthy need to pay their fair share of taxes so we can create an economy that works for all of us.** There should not be a penny of new tax cuts for the wealthy and big corporations; they should pay *more* in taxes than they pay now. (This principle was embodied in Treasury Secretary [Mnuchin's statement in November 2016](#) that under President Trump's tax plan "there would be no absolute tax cut for the upper class.")
- 2. Significant revenues should be raised to meet our needs for new investments and to create jobs.** These include investing in infrastructure, protecting retirement security for today's seniors and future generations, providing quality education and job training, researching new medical cures and renewable forms of energy, and supporting our nation's children and families in meeting their most fundamental needs.

3. **The rigged tax system should end so we have a government that works for all of us, not just the rich and powerful.** That means ensuring that the tax code is much more progressive than it is now. We also need to promote transparency by ending unproven revenue-estimating methods and budget gimmicks that obscure the true costs of tax breaks, and by increasing disclosure of the origins of corporate profits and the taxes owed.
4. **The tax incentive for multinational corporations to shift jobs and profits offshore should be eliminated, which will level the playing field for small businesses and domestic corporations.** We must encourage U.S. corporations to invest in jobs here at home, not to shift profits offshore. Preferential tax treatment of foreign profits, either through lower tax rates or deferral of taxes, creates a huge financial incentive for U.S. corporations to shift profits, build businesses and create jobs offshore rather than invest domestically. This puts small businesses and domestic corporations at a competitive disadvantage, as they end up covering more of the cost of paying for education, infrastructure, research, the military and everything else our nation relies on to succeed.
5. **Corporations should pay the [\\$750 billion they owe on their \\$2.6 trillion in offshore profits](#).** Congress intended for the taxes on these profits to be temporarily deferred, not forgiven. Offshore profits were earned knowing that the top U.S. tax rate would be 35%. On average, corporations have paid just a 6% tax rate on these profits. That means corporations owe a 29% tax rate here at home, which could raise \$750 billion. Seven hundred billion dollars could pay for a wide array of smart public investments with broad and long-lasting benefits.

Numerous [recent public opinion surveys](#) support the principle that under tax reform legislation there should be no tax cuts for the wealthy and big corporations; instead, they should pay their fair share of taxes, which means they should pay *more* in taxes than they do now. Voters want to end the rigged system in Washington, which is embodied by the loophole-laden tax system. And they reject trickle-down economics, opting instead for an economy that works for all of us.

Thanks for considering our views.

Sincerely,

AFL-CIO
Alliance for Citizenship
Alliance for Retired Americans
Amalgamated Transit Union
American Association of University Women (AAUW)
American Federation of Government Employees
American Federation of State, County and Municipal Employees
American Federation of Teachers
Americans for Democratic Action (ADA)
Americans for Tax Fairness, a coalition of 425 national and state endorsing groups
Bend the Arc Jewish Action

Campaign for America's Future
Center for American Progress
Center for Community Change Action
Center for Law and Social Policy (CLASP)
Center for Popular Democracy
Children's Defense Fund
Coalition on Human Needs
Communications Workers of America
CREDO
Daily Kos
Department of Professional Employees, AFL-CIO
Economic Policy Institute Policy Center
FORGE, Inc.
Friends of the Earth
Indivisible
Institute for Policy Studies- Inequality Program
Institute on Taxation and Economic Policy
International Brotherhood of Teamsters
International Corporate Accountability Roundtable
International Federation of Professional and Technical Engineers (IFPTE)
Lake Research Partners
Main Street Alliance
MomsRising
National Alliance of Community Economic Development Associations (NACEDA)
National Association of Letter Carriers
National Black Justice Coalition
National Center for Lesbian Rights
National Coalition for Asian Pacific American Community Development (NCAPACD)
National Coalition for the Homeless
National Council of La Raza
National Education Association
National Employment Law Project
National LGBTQ Task Force Action Fund
National Organization for Women
National Priorities Project
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
Other98
Our Revolution
Oxfam America
People for the American Way
People's Action
Pride at Work
Progressive Congress Action Fund

ProgressNow
Public Citizen
RESULTS
RootsAction.org
Service Employees International Union
The Arc of the United States
The Leadership Conference on Civil and Human Rights
The Voter Participation Center
United Food & Commercial Workers
United for a Fair Economy
UNITE HERE
Voices for Progress
Women's Voices Women Vote Action Fund
Working America
Working Families Party