



TALKING POINTS ON TAX EXTENDERS & THE ECONOMIC MOBILITY ACT

BACKGROUND

Two important bills are being marked up at the House Ways and Means Committee on Thursday, June 20.

1. **Taxpayer Certainty and Disaster Tax Relief Act of 2019 (H.R. 3301):**

- Extends many expired or expiring tax breaks known as tax extenders through 2020 and provides tax breaks for people and businesses suffering in disaster areas.
 - The tax extenders are a grab bag of tax breaks mostly benefiting the energy industry (\$16 billion) and niche industries (alcoholic beverages, railroads, motorsports, film/TV).
 - There are also tax breaks for families struggling with medical costs, underwater mortgages and tax credits to employers for some worker benefits (paid family and medical leave).
- Cost of the tax extenders is about \$33 billion; disaster relief is about \$9 billion. About \$5 billion in tax breaks/disaster relief are not paid for. [[Joint Committee on Taxation](#)]
- The bill raises about \$38 billion by rolling back the weakening of the estate tax under the Trump-GOP tax cuts. The law raised the level that estates are exempt from paying taxes from about \$5.5 million to \$11 million for individuals and from \$11 million to \$22 million for couples. The higher exemption level expires in 2025; the tax extenders bill sunsets the higher level in 2022 – three years earlier.

2. **The Economic Mobility Act of 2019 [[Ways & Means fact sheet](#)]:**

- Makes the Child Tax Credit (CTC) fully refundable for two years for families who currently make too little to receive the entire \$2,000 per-child credit (\$51 billion).
- Expands the earned income tax credit (EITC) for workers without children (\$30 billion).
- Increases funding for Dependent Care Assistance (\$19 billion) by expanding the child and dependent care tax credit (CDCTC) and expanding dependent care flexible spending accounts (FSA) for two years each.
- Total cost of the working family tax credits is \$102 billion over two years. [[Joint Economic Committee](#)] They are not paid for.
- A separate bill (The Child Care Quality and Access Act) would increase funding for the Child Care Development Fund (CCDF) by \$2 billion over two years.

TALKING POINTS

- ATF has a long history of opposing renewal of tax extenders because they are primarily a grab bag of goodies for wealthy special interests and that were never paid for. **We appreciate that this year for the first time these tax breaks are paid for in a fair way—by making the richest estates contribute a little more to the public Treasury.**

- **By rolling back President Trump’s weakening of the estate tax, the tax extenders legislation begins the process of repealing the Trump-GOP tax cuts, which is long overdue.** It would roll back one of the more egregious parts of the Trump-GOP tax cuts, which let estates valued under \$22 million per couple not pay a dime in federal taxes. This is a beginning first step to making the rich and corporations pay their fair share of taxes, which is desperately needed. If this measure becomes law, estates valued at \$11 million per couple and above would once again have to pay federal taxes. That’s less than 1% of all estates.
- **We strongly support Chairman Neal’s Economic Mobility Act, which takes an important step toward making our tax system fairer and helping to lift the incomes of working families who are struggling to pay for health care, childcare, food for their families and more.** The Trump-GOP tax cuts will cost \$2 trillion and heavily favored big corporations and the wealthy. The Economic Mobility Act will begin to address the imbalance by putting money in the pockets of working Americans struggling with low wages and with the costs of caring for needy relatives.
- **Congress could easily raise the corporate tax rate one percentage point to pay for the expanded working families tax credits.** The Trump-GOP tax cuts slashed the corporate tax rate from 40% to 21%—saving corporations about \$1.3 trillion. Every one percentage point increase in the corporate tax rate [raises about \\$100 billion](#)—enough to cover the cost of helping struggling families over the next two years under the Economic Mobility Act. We need fair share taxes in America, and this bill is a small step along the way.