

November 29, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy P. Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader McConnell, Speaker Ryan, Minority Leader Schumer, and Minority Leader Pelosi,

On behalf of the below 92 organizations dedicated to advancing the health, economic security and opportunity of women and families and eradicating their barriers to success, we write to express our opposition to the “Tax Cuts and Jobs Act.” This tax proposal threatens the economic security of women and families by gutting the Affordable Care Act (ACA), eliminating critical tax benefits for countless families, decimating state and local revenues, and undermining the funding for programs that are essential to the wellbeing of people and communities across the United States and to our country’s economy.

Republican congressional leaders are using their tax bills to attempt to gut the Affordable Care Act. The Senate version added a provision that would increase the number of uninsured people by 13 million over 10 years,¹ raise insurance premiums in the individual markets by 10 percent,² and create chaos and uncertainty in the health marketplace. This amounts to repeal without replace. The Senate has already rejected repealing the ACA, and now Republicans are trying to sneak this into their tax bills to provide even larger tax cuts for high-income households and corporations. This is unconscionable.

In addition, the Republican tax plan would disproportionately benefit wealthy Americans and corporations at the expense of middle- and lower-income families. Put simply, the tax plan would primarily benefit the richest households while giving little to nothing to tens of millions of women and families most in need of help. For example, nonpartisan estimates based on the House tax bill show that, in 2018, over 75 percent of its benefits would go to the top 20 percent of households, while the bottom 20 percent of households would only receive around two percent of the benefits.³ Female-headed households are underrepresented in the top 20

¹ See CONG. BUDGET OFFICE, REPEALING THE INDIVIDUAL HEALTH INSURANCE MANDATE: AN UPDATED ESTIMATE 1 (Nov. 2017), available at <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53300-individualmandate.pdf>.

² *Id.*

³ See INST. ON TAX’N AND ECON. POL’Y, RICHEST AMERICANS BENEFIT MOST FROM THE TAX CUTS AND JOBS ACT (Nov. 6, 2017), available at <https://itep.org/housetaxplan/>; see also INST. ON TAX’N AND ECON. POL’Y, SENATE TAX PLAN PROVIDES BIGGEST

percent of households⁴ and are overrepresented in the lowest 20 percent.⁵ This leaves women who are supporting families on their own – often working long hours, at low wages, with little access to quality, affordable child care – with little meaningful help under the proposals. In fact, under both plans, millions of low and middle-income people and their families would actually face a tax *increase* in the long run – undercutting their future economic stability, opportunity and wealth.⁶

Additionally, women and families across the country would be penalized by the elimination of critical tax benefits that support millions of people and their families. For example:

- The House tax bill would eliminate the student loan interest deduction, negatively affecting women, who hold about two-thirds of all student debt (more than \$800 billion).⁷ The repeal will especially hurt Black women, who have the highest levels of student debt. In 2012, Black women graduating with a bachelor's degree had, on average, debt of \$29,051 (compared to an average debt of \$20,907 for all women and \$19,454 for all men).⁸
- The House tax bill would eliminate the deduction for medical expenses, jeopardizing the financial security of people who have serious medical conditions and their families, as well as seniors in need of long-term care. In 2015, 8.8 million families claimed the medical expenses deduction; approximately 70 percent of them had incomes of \$75,000

TAX CUTS FOR RICHEST HOUSEHOLDS (Nov. 13, 2017), available at <https://itep.org/senatetaxplan/> (finding that in 2019, 68 percent of the Senate tax plan's benefits would accrue to the top income quintile).

⁴ NWLC calculations based on U.S. CENSUS BUREAU, 2016 CURRENT POPULATION SURVEY, TABLE HINC-05 PERCENT DISTRIBUTION OF HOUSEHOLDS, BY SELECTED CHARACTERISTICS WITHIN INCOME QUINTILE AND TOP 5 PERCENT, available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc.html>. The U.S. Census Bureau estimates the lower bounds of income on each quintile are (in 2016 dollars): first: \$1; second: \$24,002; third: \$45,600; fourth: \$74,875; fifth: \$121,018. These income limits differ slightly from those in the quintiles used in ITEP's distributional analysis. The lower bounds of ITEP's quintiles are (in 2018): first, \$0; second, \$23,400; third, \$40,750; fourth, \$65,150; fifth, \$109,000. See ITEP HOUSE BILL ANALYSIS, *supra* note 3. Households include family households (including single mothers) and single householders living alone, following the Current Population Survey's definitions. See generally U.S. CENSUS BUREAU, CURRENT POPULATION SURVEY (CPS): SUBJECT DEFINITIONS, <https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html> (last visited Nov. 1, 2017). In contrast, ITEP's distributional analysis uses tax filing units. See ITEP HOUSE BILL ANALYSIS; ITEP SENATE BILL ANALYSIS, *supra* note 3.

⁵ See *id.*

⁶ See TAX POL'Y CTR., DISTRIBUTIONAL ANALYSIS OF THE TAX CUTS AND JOBS ACT AS PASSED BY THE HOUSE WAYS AND MEANS COMMITTEE, Table 4 (Nov. 13, 2017), available at http://www.taxpolicycenter.org/sites/default/files/publication/148171/2001592-distributional-analysis-of-the-tax-cuts-and-jobs-act-as-passed-by-the-house-ways-and-means-committee_0.pdf; STAFF OF JOINT COMM. ON TAX'N, 105th Cong., DISTRIBUTION EFFECTS OF THE CHAIRMAN'S MODIFICATION TO THE CHAIRMAN'S MARK OF THE "TAX CUTS AND JOBS ACT," SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON NOVEMBER 16, 2017 (Comm. Print 2017), available at <https://www.jct.gov/publications.html?func=startdown&id=5040>.

⁷ KEVIN MILLER, AM. ASS'N OF UNIV. WOMEN, DEEPER IN DEBT: WOMEN AND STUDENT LOANS 1, 36 (May 2017), available at <https://www.aauw.org/research/deeper-in-debt/>.

⁸ See *id.*

or less and nearly half had incomes of less than \$50,000.⁹ Additionally, 75 percent of filers who claimed the medical expenses deduction are seniors.¹⁰

- The House tax bill actually cuts existing tax benefits for child care. The bill would eliminate child care tax benefits for families, including the exclusion of Dependent Care Assistance Plans (DCAPs) from income, beginning in 2023. DCAPs are dependent care flexible spending plans offered by employers, which allow employees to take money out of their paychecks, pre-tax, and use those dollars to pay for child and dependent care expenses. In 2016, almost 1.4 million families benefited from the exclusion of contributions to DCAPs.¹¹ Additionally, the tax bill eliminates the tax credit for employers that offer child care benefits to their employees, effective immediately.
- Meanwhile, the Senate tax bill would completely eliminate the deduction for state and local taxes. Approximately 43 million taxpayers from all 50 states and across all income brackets benefit from the state and local tax deduction.¹² Eliminating this tax benefit would not only raise taxes for millions of women and families, but it would also make it more difficult for states and localities to sustain the tax rates necessary to fund essential services such as public education and to maintain the jobs of public sector employees, the majority of whom are women and a substantial share of whom are people of color.

At the same time that the Republican tax plan eliminates numerous tax benefits for women and families, its Child Tax Credit (CTC) proposal, including a new tax credit for non-child dependents, leaves out the families who need the most help. Nearly two-thirds of minimum wage workers are women.¹³ Nearly six in ten people working in low-wage jobs are women—many of whom are supporting children.¹⁴ While the House and Senate tax bills propose to increase the CTC, they do not make this increase fully refundable. As a result, lower-income families will not receive the full benefit: for example, a single mother working full time at the federal minimum wage and earning \$14,500 would only receive an additional \$75 in CTC benefits under the more generous Senate bill.¹⁵ In addition, the tax bills add a new requirement—providing a Social Security Number for each child claimed for the refundable

⁹ GARY KOENIG, AARP, A CLOSER LOOK AT THE MEDICAL EXPENSE DEDUCTION (Nov. 6, 2017), <http://blog.aarp.org/2017/11/06/to-a-closer-look-at-the-medical-expense-deduction/>.

¹⁰ *See id.*

¹¹ U.S. DEP'T OF TREAS., OFFICE OF TAX ANALYSIS, CHILD CARE TAX BENEFITS, Table 2 (Jul. 28, 2015), *available at* <https://www.treasury.gov/resource-center/tax-policy/tax-analysis/Documents/Child-Care-Tax-Benefits-2016.pdf>.

¹² TAX POL'Y CTR., STATE AND LOCAL TAX DEDUCTION BY STATE, TAX YEAR 2015 (Oct. 12, 2017), *available at* <http://www.taxpolicycenter.org/statistics/state-and-local-tax-deduction>.

¹³ NAT'L WOMEN'S LAW CTR., WOMEN AND THE MINIMUM WAGE, STATE BY STATE (Aug. 2017), *available at* <https://nwlc.org/wp-content/uploads/2017/07/Women-Minimum-Wage-7.24.17.pdf>.

¹⁴ JASMINE TUCKER AND KAYLA PATRICK, NAT'L WOMEN'S LAW CTR., WOMEN IN LOW-WAGE JOBS MAY NOT BE WHO YOU EXPECT (Aug. 2017), *available at* <https://nwlc.org/wp-content/uploads/2017/08/Women-in-Low-Wage-Jobs-May-Not-Be-Who-You-Expect.pdf>.

¹⁵ CHUCK MARR, CTR. ON BUDGET & POL'Y PRIORITIES, NEW SENATE CHILD CREDIT PROPOSAL STILL DOESN'T PRIORITIZE FAMILIES THAT MOST NEED IT, (Nov. 15, 2017, 3:45 PM), <https://www.cbpp.org/blog/new-senate-child-credit-proposal-still-doesnt-prioritize-families-that-most-need-it>.

portion of the CTC—which could exclude a significant number of children in immigrant families. But they would immediately make families with six-figure incomes eligible to claim the CTC.

In addition, the Senate bill adds a proposal for a business paid leave tax credit that likewise would do little to increase workers' access to paid medical or family leave.¹⁶ Today, just 15 percent of workers have access to paid family leave and fewer than 40 percent have access to personal medical leave for serious health issues.¹⁷ Because the credit only covers a small fraction of companies' costs, it is unlikely to offer an effective incentive for more companies to offer paid leave – especially for smaller businesses. Instead, the tax credit, which the bill only puts in place until the end of 2019, would likely have the effect of subsidizing companies that already provide paid leave.¹⁸ As a result, this paid leave credit proposal simply represents another tax giveaway to large corporations in a Republican tax plan that is already replete with them while failing to guarantee the paid family leave that more than 100 million workers need.

Alarming, the Republican tax plan also includes an ideological attack on abortion. Both tax bills would allow an “unborn child” to be designated as a beneficiary of a 529 college savings plan. However, the current tax code already allows individuals to open a 529 savings plan and then transfer the account to a child's name after the child is born.¹⁹ Since individuals can already open a 529 savings plan for future children, the goal of this language appears to be to advance an anti-abortion political agenda by embedding in law a definition of “unborn child” — in an attempt to set the stage to challenge the U.S. Supreme Court's ruling in *Roe v. Wade*, which relied in key part on the finding that fetuses are not “persons.”

Finally, the high cost of the Republican tax plan will have a significant impact on federal funding for programs that are essential to the economic security of women and families. The House and Senate tax bills are each estimated to cost approximately \$1.5 trillion over a 10-year period, although it appears highly likely that, in reality, the actual cost of either version would far exceed even this astronomically high number. This will add to the deficit and create increased pressure for Congress to cut spending for programs, including Medicaid, Medicare, child care assistance, nutrition assistance, Pell Grants, housing assistance, heating for low-income families, and more. Because women still face discrimination, a pay gap, and a poverty gap, women are the majority of beneficiaries of many of these programs and would be especially hurt if these programs are cut.

¹⁶ NAT'L P'SHIP FOR WOMEN & FAMILIES, EMPLOYER PAID LEAVE TAX CREDITS WILL NOT CLOSE GAPS IN ACCESS TO PAID LEAVE (Nov. 2017), available at <http://www.nationalpartnership.org/research-library/work-family/paid-leave/employer-paid-leave-tax-credits-will-not-close-gaps-in-access-to-paid-leave.pdf>.

¹⁷ U.S. DEP'T OF LABOR, U.S. BUREAU OF LABOR STAT., NATIONAL COMPENSATION SURVEY: EMPLOYEE BENEFITS IN THE UNITED STATES, MARCH 2017, Tables 16 and 32 (Sept. 2017), available at <https://www.bls.gov/ncs/ebs/benefits/2017/ebbl0061.pdf>.

¹⁸ ABBY MCCLOSKEY, TAX REFORM IS NO PLACE FOR PAID LEAVE, Nat'l Rev. (Sept. 21, 2017), available at <http://www.nationalreview.com/article/451556/paid-leave-tax-reform-best-handle-them-separately>.

¹⁹ WILLIAM BALDWIN, UNBORN CHILDREN AND THE COLLEGE TAX DODGE, FORBES (Oct. 9, 2013), available at <https://www.forbes.com/sites/baldwin/2013/10/09/unborn-children-and-the-college-tax-dodge/#4fcd96ef6947>.

We are deeply committed to ensuring that all women and families have the opportunity to succeed and thrive across their lifespans and regardless of income, identity or background. The tax bills being considered in Congress fail to meet this standard and, instead, would set women and families back. We all deserve better. Because the changes proposed would undermine the economic security of women and families and rob our communities and the economy of essential resources, we oppose the tax plans currently being considered in Congress.

Sincerely,

National Women's Law Center
National Partnership for Women & Families

National Organizations

9to5

A Better Balance

Advocates for Youth

American Association of University Women
(AAUW)

American Federation of Labor and Congress
of Industrial Organizations (AFL-CIO)

American Federation of State, County and
Municipal Employees (AFSCME)

American Federation of Teachers

American Nurses Association

Association for Financial Counseling and
Planning Education (AFCPE)

Association of Reproductive Health
Professionals

Black Women's Health Imperative

Black Women's Roundtable

Casa de Esperanza: National Latin@ Network
for Healthy Families and Communities

Catholics for Choice

Center for American Progress

Center for Law and Social Policy

Center for Popular Democracy

Center for Reproductive Rights

CenterLink: The Community of LGBT Centers

Coalition of Labor Union Women

Coalition on Human Needs

Daily Kos

Deeds Not Words

Doctors for America

Equal Rights Advocates

Feminist Majority

GLMA: Health Professionals Advancing LGBT

Equality

Health Care for America Now

Justice In Aging

Keep Birth Control Copay Free Campaign

Labor Project for Working Families and
Family Values@Work

The Leadership Conference on Civil and
Human Rights

Main Street Alliance

MANA, A National Latina Organization

MomsRising

NAACP

NARAL Pro-Choice America

National Abortion Federation

National Advocates for Pregnant Women

National Asian Pacific American Women's
Forum (NAPAWF)

National Association of Social Workers

National Council of Jewish Women

National Employment Law Project

National Institute for Reproductive Health

National Latina Institute for Reproductive
Health

National Latino Farmers & Ranchers Trade
Association

National LGBTQ Task Force Action Fund

National Network of Abortion Funds

National Organization for Women

National Resource Center on Domestic Violence
National WIC Association
National Women's Health Network
National Women's Political Caucus
NETWORK Lobby for Catholic Social Justice
NextGen America
Patriotic Millionaires
People For the American Way
PL+US: Paid Leave for the US
Population Connection Action Fund
Raising Women's Voices for the Health Care We Need
RootsAction
Sargent Shriver National Center on Poverty Law
Service Employees International Union
Sexuality Information and Education Council of the United States (SIECUS)
SparkAction
Tax March
UltraViolet
UnidosUS
URGE: Unite for Reproductive & Gender Equity
Women's Funding Network
YWCA USA

State Organizations

California

California Asset Building Coalition
The Caring Connection
Women's Foundation of California
YWCA San Francisco & Marin

Connecticut

CT Women's Education and Legal Fund

Illinois

AIDS Foundation of Chicago
Women Employed

Indiana

Indiana Institute for Working Families

Maine

Maine Women's Lobby

Nevada

Health Care Voters of Nevada

New York

Amida Care
Citizen Action of New York
New York Abortion Fund
New York Paid Leave Coalition

North Dakota

North Dakota Women's Network

Pennsylvania

Women's Law Project

Rhode Island

University of Rhode Island

Virginia

Virginia Organizing