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Subject: Tax Reform Update | Tax Day

\ri232Good Morning State Leaders,

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\ri232Happy Tax Day! The Tax Cuts and Jobs Act is resulting in more jobs, higher wages, and relief for middle-class families. Below you will find an update on tax reform from across the country.

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\ri232· PRESIDENT TRUMP OP-ED | America's Economy Is Back And Roaring And Its People Are Winning

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\ri232" We're fighting to give every American — all over the country, every single American — a future of dignity and purpose and of pride."

\ri232President Donald J. Trump



President Donald J. Trump, framed in the colorful blooms of the White House Rose Garden, delivers remarks on the benefits of tax reform for American workers and businesses of all sizes, Thursday, April 12, 2018, in Washington, D.C. (Official White House Photo by Shealah Craighead)

PRESIDENT TRUMP OP-ED | America's Economy Is Back And Roaring And Its People Are Winning

Tuesday is a day hardworking Americans may dread more than any other. Tax Day. A day that individuals and families, small business owners and part-time workers struggle to conquer a burdensome, complex and extremely unfair tax code to determine how much money they owe the government.

But we are changing Tax Day for Americans across the country.

This is the last year Americans will fill out outdated, complicated tax forms. In the years ahead, because I signed one of the largest tax cuts in history and the most sweeping tax reform in a generation, many Americans will complete their taxes on a simple, single sheet of paper. Remarkably, Congress had to pass this critical legislation without a single Democrat's vote.

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\ri202A typical family of four earning \$73,000 a year can expect to see an income tax cut of more than \$2,000 when they file their tax return in 2019 — slashing their income tax bill in half. The standard deduction has been nearly doubled, so now twice as much income is earned tax-free.

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\ri202The tax law also doubled the child tax credit and lowers rates across the board for hardworking families.

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\ri202I made sure the IRS acted quickly to deliver some of the benefits of this tax cut legislation to Americans. As a result, Americans began to see bigger paychecks as early as February. And more savings are on the way.

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\ri202America's competitive edge has also been restored. We significantly cut our corporate tax rate from one of the highest in the developed world, which means that American workers and businesses are finally able to win again against foreign competitors. We know that when American workers compete on a level playing field, American workers win.

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\ri202We have already created 3 million jobs since the election — including more than 290,000 new jobs in manufacturing and more than 75,000 in mining and logging jobs.

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\ri202On the announcement of my signing this historic tax reform, companies immediately started announcing thousands of new jobs and making enormous investments in their workers. Unemployment claims have reached a 44-year low. After years of wage stagnation, real wages

are rising.

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\ri202Apple will invest \$350 billion in the U.S. economy over the next five years, including \$30 billion as a direct result of the tax cuts. Fiat Chrysler announced that 2,500 jobs are coming back to near the Motor City. And millions of American workers received a tax cut bonus from their employers — pay raises, more money for retirement, or bonus checks — all because of we rolled up our sleeves, put America First, and made our tax code fairer and simpler.

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\ri202The tax cut bill is also lowering the size of Americans' monthly utility bills. Major electric companies from California to Maine have credited our tax law as the reason for lowering their prices and giving consumers a break.

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\ri202This year also marks the last time Americans will have to contend with Obamacare's cruel individual mandate because our tax law repealed it. These penalties largely hit lower-income and middle-class Americans — 80% of the penalties were paid by families making less than \$50,000 per year.

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\ri202We have also opened up the Arctic National Wildlife Refuge for energy exploration — something leaders have tried to do for decades — creating even more jobs and more energy savings. Energy exports are at a record high, and net energy imports are at their lowest level since 1982. We are at the doorstep of energy independence.

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\ri202I want every American to have good jobs, rising paychecks and the opportunity to live a life of meaning, purpose and joy. That is why I insisted that the tax law also create "Opportunity Zones" that target investments in distressed communities. These Opportunity Zones will create more jobs in areas of our country that need them the most and benefit those whom Washington has too often left behind.

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\ri202On this Tax Day, America is strong and roaring back. Paychecks are climbing. Tax rates are going down. Businesses are investing in our great country. And most important, the American people are winning.

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\ri202Donald Trump is the president of the United States.

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\ri202PRESIDENT TRUMP VISITS FLORIDA | Tax Cuts for Florida Small Businesses Roundtable

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\ri202The President's full remarks can be found [here](#).



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\ri202TAX DAY | Tax Cuts Will Generate Greater Economic Opportunity for All

\ri202ENCOURAGING ENTREPRENEURSHIP: Small business owners will be able to grow and thrive under the Tax Cuts and Jobs Act.

\ri382 The Tax Cuts and Jobs Act will help more American entrepreneurs gain the financial footing they need to expand and invest in their futures.

\ri901 Small businesses which organize as sole proprietorships, S corporations,

and partnerships will be able to deduct 20 percent of their qualified business income.

\ri512• Businesses will be able to fully write off the cost of capital investments for the next 5 years.

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Optimism among small business owners continues to soar following the President's signing of the Tax Cuts and Jobs Act into law.

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Small business confidence surged to a record high following the passage of tax reform, according to a CNBC/Survey Monkey survey.

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Optimism among small business owners remains at a historically high level, according to a National Federation of Independent Businesses (NFIB) survey from March 2018.

\ri901• Small business optimism reached an eleven-year high in the first quarter of 2018, according to the Wells Fargo/Gallup Small Business Index.

\ri1287• President Trump's tax cuts will benefit small businesses, including minority-owned businesses, which are a critical driver of our Nation's economic success.

- Minority-owned businesses generate more than \$1 trillion in economic output annually.

\ri144• The number of minority-owned businesses is growing at a faster rate than non-minority owned businesses.

- Nearly 8 million Americans are employed by minority-owned businesses.

\ri901• A recent survey by the Chamber of Commerce and MetLife shows that minority-owned businesses are looking forward to even more success in 2018.

\ri282• 93 percent of minority-owned businesses

expect to have a good year in 2018 according to the MetLife and Chamber of Commerce Small Business Index.

- 71 percent of minority-owned businesses are expecting an increase in revenue in 2018.



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\ri382 GREATER OPPORTUNITY FOR WORKERS | The Tax Cuts And Jobs Act Will Help Spur More Business Growth And Job Creation, Benefiting American Workers

\ri803• Businesses are ready to expand as a result of the tax cuts and reforms signed into law by President Trump, creating more employment opportunities for those seeking work.

\ri382• Expected employment growth for 2018 has reached an all-time high among American manufacturers, according to a National Association of Manufacturers (NAM) survey.

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Job creation plans among small businesses remain at a historically high level according to a March 2018 survey by the National Federation of Independent Businesses.

\ri382• The Tax Cuts and Jobs Act will build upon Administration efforts to revitalize the American economy and increase economic opportunity for all.

- More than 2.5 million jobs have been created since President Trump took office.

\ri161• The unemployment rate has remained at a 17-year low of 4.1 percent since October of last year.

\ri161• In 2017, Hispanic and African American unemployment rates reached their lowest levels on record.

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PRESIDENT TRUMP'S TAX CUTS

✓ **Energizing American Business**

✓ **Benefiting Employers of All Sizes**

✓ **Revitalizing the Economy**

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\ri161REVITALIZING COMMUNITIES

| The Tax Cuts And Jobs Act Will Expand Economic Opportunity In Underserved Communities

\ri459- The Tax Cuts and Jobs Act includes the bipartisan Opportunity Zones Program, which will incentivize investment in economically distressed communities designated as Opportunity Zones.

\ri161o More than 52 million low-income Americans live in communities that may benefit from the Opportunity Zones Program.

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Investments are pooled into Opportunity Funds and deployed into communities where they will help fund new and small businesses, develop blighted properties, finance construction and refurbishment, and more.

\ri161- On April 9, 2018,

the Treasury Department and the Internal Revenue Service (IRS) announced the first round of Opportunity Zone designations for communities in 18 States.

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\ri161Official White House Photo by *Shealah Craighead & Joyce N. Boghosian*

STATE LEADERS ON OPPORTUNITY ZONES / What They Are Saying

- Gov. Doug Ducey (AZ): "We applaud this federal initiative to stimulate economic development in low-income areas. Ensuring opportunity for all Arizonans has been a focus of my administration. Arizona's economy is thriving, and we are excited to see how Opportunity Zones will build on our effort." [Source](#).
- Governor John Hickenlooper (CO): "Colorado's opportunity zones can help create momentum in communities that need a little boost in their economic recovery efforts. We owe it to these areas of the state to take advantage of every potential incentive. Hopefully we will see significant dividends in the future." [Source](#).
- Governor Kim Reynolds (IA): "We need to take advantage of all the tools and resources we have at our disposal to spur economic growth. I am optimistic that Iowa's participation in the Opportunity Zones Program will serve as a catalyst for investment and job creation and result in prosperity for Iowa communities statewide." [Source](#).
- Governor Butch Otter (ID) : "This is a great way to drive more capital investment toward Idaho neighborhoods and communities that aren't benefiting as they should from our statewide economic growth. There are no real strings attached to this market-driven tax treatment by the feds. Nobody is dictating the kind of investments the locals should pursue to promote their own prosperity." [Source](#).
- Governor Matt Bevin (KY) : "The Opportunity Zones approved today by the U.S. Department of the Treasury provide one more reason for companies and businesses to consider locating in Kentucky. Kentucky will maximize this golden chance to attract economic development projects to communities most in need across the commonwealth, and the Kentucky Opportunity Zone Initiative will strengthen and rebuild both rural and urban areas. Whether along the Mississippi River in West Kentucky, throughout West Louisville's neighborhoods, or in the heart of Appalachia, these zones will spur investment, growth and community development." [Source](#).
- State Senate President Robert Stivers (KY): "With the designation of these new Opportunity Zones, communities most in need across our commonwealth will have a means to attract investments that create jobs, build infrastructure and increase both tax local revenue and overall economic prosperity. The Kentucky Opportunity Zone Initiative holds the promise of creating a significant and widespread positive impact for Kentuckians. I look forward to the development of these Opportunity Zones and the long-term prosperity they will bring to our state." [Source](#).
- State House Speaker Pro Tempore David Osborne (KY): "Through these federal designations, the Kentucky Opportunity Zone Initiative can attract capital investments for a broad range of development projects. What this means is lower-income and distressed communities in Opportunity Zones across Kentucky stand to see new jobs created and their economies significantly improved through a variety of potential commercial, industrial, housing, infrastructure and other investment projects." [Source](#).
- Governor Charlie Baker (MA) : "Our administration is committed to helping cities and towns in Massachusetts unlock opportunity for private investments and economic growth. This program will allow municipalities across the Commonwealth to work collaboratively with investors to pursue developments that address their individual and community needs." [Source](#).
- Gov. Rick Snyder (MI): "These zones have the potential to help Michiganders take advantage of

the full economic development potential in all corners of the state," Gov. Snyder said. "This is a unique opportunity for investors and promising news for eligible communities." [Source](#).

- Gov. Phil Bryant (MS): "Opportunity Zones in Mississippi will attract significant private sector investment, help grow our state's economy and create new jobs. This program is another business advantage existing industries and new companies will find in our state." [Source](#).
- Governor Phil Murphy (NJ): "I'm pleased the Treasury Department has accepted all 169 sites I proposed last month for designation as Opportunity Zones. Now, these cities and towns will have additional means to generate economic growth throughout their respective communities and, more importantly, create economic opportunities for their residents." [Source](#).
- Gov. Pete Ricketts (NE): "Thanks to the Tax Cuts and Jobs Act, 20 communities across Nebraska now have another tool to help attract new investment and job opportunities. This announcement builds on the positive news we've seen from companies from Nelnet to Wal-Mart, who are reinvesting their tax cuts into their workforce through higher wages and bonuses. None of this would have been possible without the great work of Nebraska's federal delegation, which unanimously supported the tax relief bill." [Source](#).
- Governor Mary Fallin (OK): "I appreciate our partnership with the U.S. Department of Treasury in making these designations. The creation of federal opportunity zones will bring new and unique opportunities to both investors and Oklahoma communities. Investors have different projects in which they are willing to invest their capital, and it is our intent to provide them with a range of opportunities. With the potential investments in these areas, we hope that poverty will be reduced, our communities will see revitalization, and that the investments will spur job creation. I also want to acknowledge the Oklahoma Department of Commerce for its work in coordinating this effort." [Source](#).
- Gov, Ricardo Rossello (PR): "These zones are created to foster investment in the nation's disadvantaged communities. New investments in Opportunity Zones can receive preferential tax treatment, which will, in turn, be a boost to our economy. Our thanks to Treasury Secretary Steve Mnuchin for understanding the need of Puerto Rico to participate in these opportunities zones. Thanks also to the resident commissioner, Jenniffer González, for her work in raising awareness about the economic challenges facing the Island and collaborating so we are included as one of the territories that will benefit from this initiative." [Source](#).
- Gov. Henry McMaster (SC): "We're confident that we've been able to implement a collaborative approach to designating these communities – with input from local governments across the state – that will eventually mean further private investment and economic growth in the areas that need it most." [Source](#).
- Governor Greg Abbot (TX): "This program will help highlight areas of Texas that are prime for business investment, and it will serve to bring more opportunities to hardworking families across the entire state," said Governor Abbott. "As we continue to recover after Harvey, these Opportunity Zone designations will also provide a much needed boost for local communities impacted by the storm. With the potential for billions in new investment, I look forward to our state continuing to flourish, bringing further growth and opportunity to the people of Texas." [Source](#).
- Governor Kenneth Mapp (VI): "These new incentives can help us attract new investments in hotel

development, retail businesses and industry in our most underserved communities and can also help those looking to rebuild after the hurricanes. I would like to thank the U.S. Department of Treasury Secretary Steven Mnuchin and his team for implementing this important program." [Source](#).

- Governor Scott Walker (WI): "With our newly designated Economic Opportunity Zones, Wisconsin's thriving businesses will have a new opportunity to invest in their neighbors and help our local communities. Right now, more people are employed in our state than ever before in our history, and Wisconsin is at near record lows for unemployment. These recommendations reach communities across our state – urban, rural, and tribal – that are positioned for strong and sustained growth." [Source](#).



President Donald J. Trump is applauded at the conclusion of a roundtable discussion on tax reform, at the White Sulphur Springs Civic Center, Thursday, April 5, 2018, in White Sulphur Springs, WV. (Official White House Photo by D. Myles Cullen)

PRESIDENT TRUMP VISITS WEST VIRGINIA / Tax Reform Is Paying Off For Workers and Businesses In West Virginia

THE INTER-MOUNTAIN (ELKINS, WEST VIRGINIA): Citizens Bank Gives Bonuses to Employees

"Citizens Bank of West Virginia issued a bonus of \$1,000 to each of its 66 employees recently, joining a number of U.S. companies to pass along savings from the federal tax reform to its staff.... 'One of the best investments we can make is in our employees who are dedicated to making sure our customers have great banking experiences at Citizens,' said Nathaniel S. Bonnell, president and CEO. 'This \$66,000 investment demonstrates our thanks and appreciation to our team for their tireless efforts and commitment to the bank.'"



WEST VIRGINIA METRONEWS: Pence Talks Tax Reform, Applauds Worldwide Equipment Announcement in White Sulphur Springs

"Before Pence took the stage, Worldwide Equipment CEO Terry Dotson made a highly anticipated announcement.... The company's roughly 1,100 employees across their 20 locations have received bonuses, a dealership will be constructed in Charleston, SC and upgrades are coming to their existing facilities. Dotson is confident these accomplishments are a result of the recently-passed tax reform plan."

WV NEWS: W. Va. State Auditor: Tax Cuts to Save State Employees Collective \$50 Million per Year

"State employees in West Virginia are collectively expected to keep an additional \$50 million annually, according to State Auditor John B. 'JB' McCuskey. McCuskey attributed this savings to the passage of the Tax Cuts and Jobs Act, which will provide state employees with a reduction in their tax withholding."



AROUND THE COUNTRY / Tax Reform Is Paying Off For Workers and Businesses

WASHINGTON EXAMINER: *GOP Tax Overhaul Will Cut Taxes for Two-Thirds of Households this Year: Analysis*

"The new tax law will directly cut the taxes of nearly two-thirds of households this year, according to a new analysis released Wednesday by the nonprofit Tax Policy Center. The think tank found the individual provisions of the law signed by President Trump in December will reduce taxes for 65 percent of households in 2018..."

MARKETWATCH: *Crumbs? Bonuses Tied to Trump Tax Cuts Said to Boost U.S. Incomes by \$30 Billion*

"Democratic leader Nancy Pelosi said ordinary Americans would only get 'crumbs' from the Trump cuts. The federal agency that does the math says those crumbs amounted to as much as \$30 billion in January. The Bureau of Economic Analysis raised its estimate of how much U.S. incomes rose in the first month of the year in response to widespread reports of businesses handing out onetime bonuses after the tax cuts became law."

THE ASSOCIATED PRESS: *McCormick Offers Employee Bonuses on Tax Cut Benefit*

"McCormick & Co. is the latest company to offer employees bonuses, citing sweeping tax reforms that slashed corporate tax rates. The spice-maker is offering \$1,000 bonuses to eligible hourly employees and says it plans to 'accelerate' wage increases, though it did not provide details. The Sparks, Maryland company will also [use] the tax cut to make investments, pay debt and benefit shareholders."

MILWAUKEE JOURNAL SENTINEL: *Lower Corporate Tax Rate Projected To Save Wisconsin Utility Customers More Than \$275 Million*

"Customers of Wisconsin utilities are projected to save more than \$275 million from the new lower rate for federal corporate taxes, based on estimates compiled by the Citizens Utility Board of Wisconsin and the Wisconsin Industrial Energy Group.... Projected taxes are included as an expense when setting utility rates and the cost is passed onto customers."

ATLANTA BUSINESS CHRONICLE: *Southwire to Pay Workers \$9 Million in Bonuses, Benefits Thanks to Tax Reform*

"Electrical wire giant Southwire said Monday it will pay out \$9 million in bonuses and benefits to employees thanks to tax reform. Carrollton, Ga.-based Southwire Co. said full-time employees in the United States, not including executives and upper management, will each receive a \$1,000 bonus and full-time employees outside of the U.S. will receive an equivalent supplement. Part-time employees will get \$250 bonuses or an international equivalent. The majority of Southwire's nearly 7,500 employees will receive payments, the company said."

KENT COUNTY NEWS (CHESTERTOWN, MARYLAND): *Tax Cuts Lead Dixon to Give Employee Bonuses*

"Dixon Valve and Coupling Co. has announced that it is giving employees \$1,000 bonuses thanks to the federal tax reform.... On March 14, Dixon announced a \$1,000 bonus for each full-time American employee who had been with the company for a year 'as a direct result of the new tax law and reduced regulations'..."

WICHITA BUSINESS JOURNAL: Wichita Companies 'Reinvesting' In Employees through Tax Cut Bonuses

"Aldrich, president and CEO of Wichita Railway Services, provided his employees bonuses of \$3,000 to \$6,000 using funds that would have otherwise gone toward corporate income tax. The federal government's Tax Cuts and Jobs Act, signed into law in December, lowered tax rates for businesses and individuals."

SPRINGFIELD NEWS-LEADER (MISSOURI): Springfield Solar Company Hiring More Workers, Credits Trump's Tax Cut

"A Springfield solar company announced Monday it's adding 30 new jobs thanks to a corporate tax rate cut championed by President Donald Trump. According to a press release, Sun Solar employed about 100 people at the start of 2018, 17 percent of whom are U.S. military veterans."



SMALL BUSINESS / Tax Cuts Are Energizing American Employers of All Sizes

ENERGIZING AMERICAN BUSINESS: Optimism and plans for growth are soaring as businesses feel the benefits of President Donald J. Trump's tax cuts.

- Optimism among American manufacturers has reached unprecedented levels according to the most recent Outlook Survey from the National Association of Manufacturers (NAM).
 - Manufacturer optimism stood at 93.5 percent in the most recent survey, the second highest reading in the survey's history.
 - Projected employment growth, new capital investments, and inventory increases all reached all-time highs in the survey.
 - According to the survey, manufacturers expect sales to grow over the next year at the second fastest pace on record.
 - Manufacturers anticipate wages will grow at the fastest pace in 17 years.
- Small businesses are worrying less about taxes and are investing more in their workers according to a National Federation of Independent Businesses (NFIB) survey from March 2018.

- - Taxes received the fewer votes as the number one problem facing small businesses for the first time since 1982.
 - The proportion of small businesses that reported raising their worker's compensation reached its highest level since 2000.
- A March 2018 survey of business executives by Ernst & Young, looking at how companies plan on using their tax savings found that:
 - 75 percent expect to expand manufacturing in the United States.
 - 89 percent plan to increase worker compensation.
 - 66 percent will likely pass on some of their tax savings to customers.
 - 69 percent expect to bring back more earnings to the U.S. from overseas than they would have otherwise.
- The Federal Reserve cited the Tax Cuts and Jobs Act as a key factor in increasing their economic projections for the United States over the next several years.

BENEFITING EMPLOYERS OF ALL SIZES: Businesses of all sizes are using their tax savings to invest in their hardworking employees.

- From small family businesses on up, American employers have been able to raise wages and increase benefits for their workers as a result of the Tax Cuts and Jobs Act.
 - More than 5.5 million hardworking taxpayers have received bonuses, pay raises, and increased benefits.
- Wichita Railway Services gave each of its five employees a tax cut bonus between \$3,000 and \$6,000.
- In March, Muncie Aviation Company gave its 55 full-time and 8 part-time employees a bonus due to its tax savings and 2017 business performance.
- Cox Enterprises has announced it will provide most of its nearly 60,000 employees with bonuses between \$1,000 and \$2,000 in April.
- McCormick & Company has announced it will provide \$1,000 tax cut bonuses to eligible hourly employees in May.
- McDonald's Corporation announced it would invest \$150 million in its education program which provides employees with opportunities to earn a high school diploma, college tuition assistance, and free education advising.

REVITALIZING THE ECONOMY: The Tax Cuts and Jobs Act is contributing to a healthy American economy under President Trump.

- United States gross domestic product (GDP) growth for the fourth quarter of 2017 was revised up to 2.9 percent, beating expectations.
- More than 2.5 million jobs have been added since President Trump took office.
 - 263,000 manufacturing jobs have been added.
 - 277,000 construction jobs have been added.
- The unemployment rate has remained at a 17-year low of 4.1 percent since October of last year.
- The number of Americans receiving unemployment insurance benefits has fallen to its lowest point since 1973.



"Any leader who says \$1,000 in the pockets of working families is crumbs is out of touch with the American people."

Vice President Mike Pence

Please let us know if you have any questions.

*Thanks,
Nic*

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*Nicholas D. Pottebaum
Associate Director
White House Office of Intergovernmental Affairs*