

From: Gray, Christopher S. EOP/WHO <Christopher.S.Gray@who.eop.gov>
To: Danny VaratDannyVarat@scstatehouse.gov
Date: 12/5/2017 1:17:20 PM
Subject: Tax Reform Follow Up Information

Hi Danny

Wanted to follow up on our conversation from last week. Below are some Op-Eds, Statements of Support, and Press Releases that should help in the crafting process. Please let me know if the Lt. Governor is willing to engage on this issue. A statement of support, social media post, or op-ed would be greatly appreciated.

Thanks!
Chris

Christopher S. Gray
Senior Associate Director
White House Office of Intergovernmental Affairs
O: 202.456.4223 | C: 202.881.7571 | E: Christopher.S.Gray@who.eop.gov

Media Release:
Gov. Ricketts, Nebraska Officials Support Federal Tax Reform

LINCOLN – Today, Governor Pete Ricketts, Lt. Governor Mike Foley, State Auditor Charlie Janssen, and legislative leadership released statements in support of federal tax reform.

“I applaud the President and congressional leadership for making tax reform a top priority this year,” said Governor Ricketts. “Providing relief will put more money back into the pockets of hardworking families and unleash economic growth in communities across our nation. Thank you to Congressman Smith for prioritizing the interests of Nebraska’s farm and ranch families as the Ways and Means Committee drafted this legislation. I urge Congress to act quickly and to deliver tax reform to the President’s desk for his signature.”

“President Trump is following through on his commitment to help grow America’s middle class with federal tax reform,” said Lt. Governor Foley. “Americans should be encouraged by the proposed reforms. They would provide a significant reduction in the tax burden for the average family and substantially streamlines the filing process, which will simplify the complex federal tax code. We urge Congress to take action and pass the bill to deliver the tax relief Americans deserve.”

“Fairness and simplicity are hallmarks of good tax policy,” said State Auditor Charlie Janssen. “President Trump’s tax reform efforts seek to simplify the tax code and provide relief to families and job creators across the nation. I urge Congress to act on the Tax Cuts and Jobs Act helps to deliver tax reform for America’s middle class now.”

“Tax reform is essential to returning jobs to the U.S. and to helping our employers create more opportunities at home,” said Revenue Committee Chair Jim Smith of Papillion. “Nebraska’s communities and families will benefit from advancing federal tax reform.”

“Nebraskans need federal tax reform to simplify tax preparation and filing for the majority of individual taxpayers,” said Agriculture Committee Chair Lydia Brasch of Bancroft. “The lower rates and higher standard deductions will also greatly benefit large numbers of our middle class taxpayers and ag producers. The lower business tax rates will result in more growth for business and encourage

job creation and help grow the economy of our state and nation.”

The Tax Cuts and Jobs Act was recently approved by the House Ways and Means Committee. The full House of Representatives is expected to vote on the bill soon. Reform would provide tax relief to middle class Americans, eliminate many special-interest deductions, and simplify the process for filing federal income taxes. Estimates project that the plan would grow the American economy by more than 3.5 percent.

Governor Eric Greitens: To Congress, Get Tax Reform Done. Sincerely, the Country.

After I left the military, I started a small business.

Like many who start small businesses, I knew the risks. Most small businesses fail. Starting something from scratch means playing without a safety net. And I had employees counting on me as well. I was responsible for them. I worked hard; they worked hard, and together we built a business.

Fortunately, Missouri is a great place to start a business. You get a lot of help when you start a small business. Your friends, family, and neighbors step up. People you’ve never met come out of the woodwork to offer a tip or contact. Little by little, your business grows, and once you get some momentum, even more people lend a helping hand. Americans appreciate and help their small business owners.

There’s one institution, though, that doesn’t help. In fact, it often goes out of its way to make building a small business more difficult than it already is. That institution is the IRS—and it is badly in need of repair.

Every year, I’d lose dozens of hours and hundreds of dollars to figuring my way through taxes. That’s time I could have spent growing the business and money I could have used to hire new people. Instead, I’d spend it making sure I had complied with every rule and regulation. Hour after hour devoted to page upon page of paperwork—all to make sure the business didn’t run into trouble with the government.

I’m not the only one. The National Small Business Association [ran a survey](#) of small business owners this past year. They found that two-thirds of businesses spend more than \$1,000 just to get their taxes done. In fact, small business owners said that the paperwork and hassle of doing taxes was a bigger burden *than the tax bill itself*.

If that weren’t bad enough, the rules changed every year. And if the business did well or if I hired a new employee, there were more forms to fill out, more boxes to check, more requirements to meet—and more money to send to Washington. Often, it felt like the IRS was punishing me for growing my business.

Again, the data bear this out. Near the start of the 20th century, the federal income tax code was a total of four pages. It now spans over 70,000 pages. That bloat affects all of us: in 2016, [according to the Tax Foundation](#), Americans spent 8.9 billion hours and \$409 billion dollars just filing their taxes. That’s wrong. And these problems don’t just affect small business owners. They affect the employees of small businesses, too. In [another survey done this year](#), almost 80 percent of business said that higher taxes might prevent them from hiring good people. Put more simply: the tax system kills jobs. For too long, our tax system has been complex, corrupt, and high. We need a system that is simple, fair, and low. In Missouri, we’re trying to do our part at the state level—but the biggest changes that small business owners need begin at the federal level.

The President understands this. We were pleased that he chose Springfield, Missouri, to announce his effort on tax reform. And we were glad to host him in St. Charles, Missouri, on Wednesday, where he again sent a message to Congress to get tax reform legislation done and delivered.

Congress can fix this broken system. They need to get the details on tax reform right and make sure they've got a bill that works for the American people. Above all, they need to give small business owners and families relief. Too many small business owners have waited too long, with taxes that are too high, under a system that is too complicated. Getting tax reform done will grow jobs and help these businesses.

If Congress is serious about putting people back to work, then it needs to get to work. Pass tax reform legislation before the year is out. Give families and small business owners the relief they've been waiting for.

Eric Greitens is a Navy SEAL, a boxing champion, a Rhodes Scholar, and the 56th Governor of the State of Missouri.

Governor Doug Ducey (R, AZ): "Make no mistake, special interests will fight like crazy to keep their loopholes and special treatment. But government shouldn't be in the business of picking winners and losers. We need to set a rate for businesses that's fair, close the loopholes and make our tax code simpler and more equitable for everyone."

Governor Chris Sununu (R, NE): "America's business tax rates are probably the most self-destructive feature of the current system. By reducing the highest business tax rate in the developed world, something that we have shown, right here in New Hampshire, is a huge boost to competitiveness that creates new jobs and higher wages. And finally repealing the death tax is long overdue."

Lt. Governor Mary Taylor (R, OH): "The President is proposing the biggest tax cut to small and midsize businesses in 80 years, and as we have seen in Ohio, this will jumpstart the nation's economy. The Council of Economic Advisors has estimated that the average American household income could increase between \$4,000 and \$9,000 a year in wages and salary alone from this proposal."

Lt. Governor Brian Calley (R, MI): "The reform plan President Trump unveiled last month will be a game changer for all Americans. We know its principles are sound because of our experience here in Michigan. A simple, fair and efficient tax code will go a long way for everyone."

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 28, 2017

Statement from the Press Secretary on the Tax Cuts and Jobs Act Passing the Senate Budget Committee

President Donald J. Trump applauds the Senate Budget Committee on taking an important step toward passing historic tax relief and reform and clearing the Tax Cuts and Jobs Act this afternoon. The momentum driving our shared priorities of job growth, economic competitiveness, and fiscal responsibility through tax reform is undeniable, and this Administration is encouraged by the progress the Senate has made toward achieving these priorities. The President looks forward to providing tax cuts for hardworking Americans by the end of the year.

SMALL BUSINESSES ARE CRITICAL TO THE ECONOMY: Small businesses are a primary driver of economic growth.

- There are nearly 30 million small businesses in the United States, employing 57.9 million American workers,
 - 48 percent of all American workers are employed by small businesses, defined as firms employing fewer than 50 employees.
 - Historically small businesses are responsible for two out of every three net new jobs created in America.
- Over half a million new small businesses are launched each year in the United States, creating more than 2.5 million new jobs.
- Nearly half of the United States gross domestic product (GDP) is driven by small businesses, according to the U.S. Small Business Administration.
- Over 97 percent of United States exporters are small businesses, according to the U.S. Small Business Administration.

TAX REFORM FOR SMALL BUSINESSES: The tax reform plans in the House and Senate would

- Under the House tax reform bill, businesses organized as sole proprietors, S corporations, or partnerships would have their income taxed at a flat rate of 15 percent.
 - This would be the lowest top marginal tax rate in more than 80 years.
 - Over 99 percent of American businesses are incorporated as one of these “pass-through” firms and corporations.
- Under the House bill, small businesses that file a joint return would have their first \$75,000 of income taxed at a rate of 10 percent.
- Under the Senate bill, businesses organized as sole proprietors, S corporations, and partnerships would be able to deduct 50 percent of their state and local taxes from their federal taxable income.
- For the next five years, American businesses will be able to immediately write off the full cost of their heavy machinery and other capital investments.
 - This will help American businesses afford the heavy industrial machinery and other capital investments.

HIGHER GROWTH, HIGHER WAGES, AND MORE JOBS: The tax reform bills in the House and Senate would

- Cutting the top Federal corporate tax rate from 35 percent to 20 percent and allowing businesses to write off their investments would have a significant impact on the economy.
 - GDP could increase by between 3 and 5 percent in the long term.
 - American annual household income could increase by an average of \$4,000.
- A 3 to 5 percent increase in GDP over ten years could represent an additional \$700 billion to \$1.2 trillion in economic activity.
- Just cutting the corporate tax rate to 20 percent is estimated to increase long-run GDP by 3.1 percent.
- Developed countries that have lowered their effective corporate tax rates have experienced wage growth at a faster rate.
 - Wages for American workers of all skill levels would increase after corporate taxes are cut.
 - Developed countries with the low corporate tax rates have seen significantly higher wage growth compared to the United States.
- Cutting corporate tax rates will encourage firms to invest back in the United States, creating well-paying jobs.
 - After President Bush’s 2003 tax cuts, the economy created 7.8 million jobs over five years, based on the Congressional Budget Office’s estimates.
 - After President Reagan’s 1981 tax cuts, the economy created 14.8 million jobs over five years based on the Congressional Budget Office’s estimates.
 - After President Kennedy’s tax cuts, the economy created 12.0 million new jobs over five years based on the Congressional Budget Office’s estimates.

REMOVING THE BURDEN ON SMALL BUSINESSES: President Trump has already taken action to

- Small business owners have the highest levels of optimism in over a decade according to Wells Fargo.
- Federal regulations cost the American economy \$1.9 trillion and small businesses with 50 or fewer employees are the most affected.
 - Small businesses are punished disproportionately by excessive government regulation and face \$11,000 in additional costs per employee per year.
- President Trump signed an Executive Order, which mandates that for every one new regulation, two old regulations must be repealed.
- President Trump signed into law 15 Congressional Review Act resolutions – blocking harmful Obama-era regulations.
- In President Trump’s first six months, the Administration has approved the fewest regulations with an economic impact score of 10 or higher.

The sell-off triggered by a report that former national security adviser Michael Flynn may have cut a deal to help the tax reform bill pass through the Senate. The S&P 500, Nasdaq Composite and Dow Jones Industrial Average all plummeted shortly after the ABC news report. The market found enough support to help the bill cross the finish line.

That helped ease equities back from the brink. The S&P 500 is now down 0.4 per cent on the day, with telec

The dollar index — measuring the buck against a basket of peers — bounced back from its low point of the

FOR IMMEDIATE RELEASE

December 4, 2017

“Tax reform, by closing loopholes, will reduce distortions, so

Democrats’ straw man fights tax cuts

Editorial

Washington Examiner

December 4, 2017

...

But the lesson here is not that corporate tax cuts don’t and won’t create jobs. Companies that spend an inordinate amount of money on tax avoidance is a much riskier than the squeezing of every last penny out of a corporate tax return.

This is how a dysfunctional tax system such as the one we now have strangles a national economy, and it is

...

The main point of lowering tax rates and getting rid of loopholes is to encourage corporations to spend more on R&D.

Because the U.S. has nearly the highest corporate tax rate in the industrialized world, American companies

Tax reform, by closing loopholes, will reduce distortions, so productive activities are prioritized over unproductive ones. Many companies would love to invest overseas after-tax profits in their American operations, but this would be irrational.

By removing incentives for irrational behavior, tax reform can dramatically increase the amount of corporate investment in R&D, leading to greater corporate success against foreign competitors.

...

[Read the full editorial here.](#)