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Date: 11/20/2017 11:16:24 AM
Subject: Tax Reform - Progress for Real Reform

Good Morning,

Please see the latest Op-Eds and information on the passing of the House Tax Reform package.

Christopher S. Gray
Senior Associate Director
White House Office of Intergovernmental Affairs

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.

Op-Ed: McMillan Encouraged by Proposed Tax Plan

MONTGOMERY, Ala. – Alabama Commissioner of Agriculture & Industries John McMillan is encouraged by the recent unveiling of a proposed tax plan by the Trump Administration, the House Committee on Ways & Means, and the Senate Committee on Finance.

Notable provisions of the plan include elimination of the estate tax, reducing the number of individual tax brackets, lowering the corporate income tax and capping tax rates for small businesses.

Farmers in Alabama and across the nation face natural disasters, significant price fluctuations in the market, increased regulations and many other challenges. Without comprehensive tax reform, the American farmer may eventually be taxed out of business or at least taxed where he or she can no longer pass the farm on to the next generation. The elimination of the estate tax is just one of the revisions in the Tax Reform plan that provide farmers hope.

Other elements of the plan that are beneficial to farmers and small businesses alike are lower tax rates for individuals who own businesses and some business interest deductibility. The Tax Reform plan sets the maximum rate for partnerships, sole proprietorships and S corporations at 25%. Those businesses are currently taxed at individual rates, which range from 10% to 39.6%.

Other proposed provisions in the framework of this fiscally responsible tax reform include:

- Creating more jobs and higher wages for American workers, by lowering the corporate tax rate from 35% to 20% and capping the small business tax rate at 25%.
 - Permitting businesses to fully and immediately write off business investments for five years, including machinery and buildings, allowing farmers to purchase much needed equipment and build new facilities for their operations.
 - Seven tax brackets of taxable income will be consolidated into three –12%, 25%, and the maximum rate is being reduced from 39.6% to 35%.
 - Essentially doubling the standard deduction from \$12,000 for individuals and \$24,000 for couples.
- The full framework is available [here](#), and a one-page overview is available [here](#).

THE WHITE
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Office of the
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FOR
IMMEDIATE
RELEASE
November
20, 2017

INVESTOR'S
BUSINESS
DAILY
EDITORIAL
BOARD:
"THE
COMING
TAX-CUT
BOOM"

"The point is, these tax cuts will bring about broad-based economic gains that will affect Americans across the board."

The Coming
Tax-Cut
Boom
Editorial
Investor's
Business
Daily
November
20, 2017

The proposed Tax Cut and Jobs Act now making its way through both houses of Congress will slash taxes by some \$1.5 trillion over 10 years.

How much bang for the buck does that give? Quite a lot, according to a new Heritage Foundation

forecast.

...

Actual GDP will be permanently higher by anywhere from 2.6% (House) to 2.8% (Senate). The point is, both bills, though widely criticized and certainly not perfect, are economic-growth bills. They will expand the economy, and make a big difference for average households.

How big a difference? Annual GDP per household will be permanently higher by an inflation adjusted \$4,098 under the House bill, and \$4,403 under the Senate bill. These are significant boosts to household incomes after nearly two decades of stagnation in median

real incomes, and would go a long way toward ending the early 21st century economic malaise that began after the dot-com boom went bust.

...

The point is, the magic missing from our economy in recent years has been growth. Average 2% GDP growth over the past decade is substandard. Restoring our historic path of 3% growth is within reach.

[Read the full editorial here.](#)

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THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 17, 2017

Statement by the Press Secretary about Tax Reform Passing the Senate Finance Commit

President Donald J. Trump applauds the Senate Finance Committee for passing its companion to the Tax Cuts and Jobs Act. This legislation is another important step to delivering historic tax cuts and reform for hard-working families. For far too long, the tax code has been rigged in favor of well-connected special interests. This legislation cuts taxes for middle-income families and encourages businesses to create more jobs, increase wages, and propel our economy toward a brighter future. This Administration looks for Congress to make tax reform a reality by the end of the year.

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THE WHITE HOUSE
Office of the Press Secretary
FOR IMMEDIATE RELEASE
November 16, 2017

Statement from the Press Secretary regarding the House of Representatives Passage of the Tax

President Donald J. Trump applauds the House of Representatives for passing the Tax Cuts and Jobs Act, fulfilling our promise to deliver historic tax cuts for the American people by the end of the year. We are working to help hardworking, middle-class families to keep more of their money, and to empower our companies and workers to compete in global competition. A simple, fair, and competitive tax code will be rocket fuel for our economy, and it's now time to deliver.

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What They Are Saying...

- MUST READ – “Passing #TaxReform will prove GOP is serious in its commitments to Americans” <http://thehill.com/opinion/finance/360516-passing-tax-reform-will-prove-gop-is-serious-in-its-commitments-to-americans>
- Bernie Marcus: “Small-business owners have a lot to be thankful for next week.” #TaxReform <http://thehill.com/opinion/finance/360561-tax-bills-give-small-businesses-plenty-to-be-thankful-for>
- ObamaCare's Individual Mandate Is Unfair And Doesn't Work <https://www.investors.com/politics/editorials/obamacare-individual-mandate-gop-tax-cuts/>
- @SallyPipes “This tax has fallen disproportionately on the lower middle class.” #TaxReform #IndividualMandate <http://www.washingtonexaminer.com/theres-no-reason-for-congress-not-to-repeal-the-individual-mandate-in-tax-reform/article/2640831>

SBA Administrator Linda McMahon



“What I have heard consistently from our small-businesses, and most of whom are pass-throughs, is that they want to see tax cuts, that tax cuts will help them. They'll have more money in their pocket and without fail, every one of those businesses has told me that they would reinvest that money in their company, whether it is increasing wages for their employees, a new product line, a new location, just being able to make their business stronger and better.”

“They're looking for tax cuts and either of these bills that would come through would provide tax cuts for our small-businesses.”

[Watch Full Interview Here](#)

White House Counselor Kellyanne Conway



"Small businesses truly benefit in these plans. They have 17.4% deduction they can take on their business profits, 100% expensing for five years. That is really huge and in addition to that, the benefits that we all will enjoy doubling that personal exemption so that the first \$24,000 in everybody's income as a married couple is subject to zero tax. The small businesses in this country, the mom and pops, will have the lowest tax rate in 80 years."

[Watch Full Interview Here](#)

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 17, 2017

WASHINGTON EXAMINER EDITORIAL BOARD: "YOU SHOULD WANT TO CUT BUSINESS TAXES; AFTER ALL, PAY THEM"

"Real individual people — that's you, your friends, and your neighbors — pay every dime of the corporate tax."

You should want to cut business taxes; after all, it's you who has to pay them

Editorial

Washington Examiner

November 17, 2017

The wailing and gnashing of teeth over the tax reform bill passed by the House on Thursday was too much. Even congressional debate, with its party-line grandstanding, is bad enough. But it's so much more tedious when Democrats echo each other ad nauseam, making the same tired talking points against a permanent cut in the corporate tax rate supported when their guy was in the White House.

...

But you know what's not corporate welfare? A low, uniform corporate tax rate, which is precisely what Congress should implement. A tax reform plan that lowers the rate is neither corporate welfare nor a massive giveaway to the wealthy. It's the fair and even-handed way of reducing economic distortions, making American businesses more competitive and encouraging them to reinvest overseas profits in jobs and growth back home.

...

[President Barack Obama] called a lower corporate rate “something that serious people in both parties should support. When it’s not a Democrat proposing the policy, Democrats perform an acrobatic flip-flop and suddenly find the policy unconscionable.

...

Real individual people — that’s you, your friends, and your neighbors — pay every dime of the corporate income tax.

...

In 2015, Senate Minority Leader Chuck Schumer understood this. He said, “Our international tax system ... creates jobs and stash profits overseas, rather than creating jobs and economic growth here in the United States.”

...

Instead of substantive and vigorous debate, the public is being served this sort of bad-faith debate in huge doses by Democrats. It reinforces Americans’ view that those in elected office serve their own ambitions and not the country.

[Read the full editorial here.](#)

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THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 16, 2017

BERNIE MARCUS: TAX REFORM BILLS GIVE SMALL BUSINESSES PLENTY TO BE
THANKFUL FOR

“This long overdue relief would finally address the overtaxation that most small business owners say is the biggest hurdle they face.”

Tax bills give small businesses plenty to be thankful for
By Bernie Marcus
The Hill
November 16, 2017

Small-business owners have a lot to be thankful for next week.

The recently introduced tax-reform bills in the House of Representatives and Senate make small-business tax cuts a centerpiece. This long overdue relief would finally address the overtaxation that most small business owners say is the biggest hurdle they face.

Partially as a result of years of overtaxation, American small businesses — like the communities where they locate — have not recovered from the Great Recession. New business formation remains at historic lows. Boarded-up shops dot Main Streets throughout the country. I believe that if The Home Depot started today, overtaxation would have prevented it from achieving its current success.

Proposed tax cuts can change this by allowing small businesses to keep a little more of their earnings necessary to survive and thrive in today's competitive business environment.

Both plans have similarities that would further help small businesses. Both bills call for doubling the income threshold under which businesses and families pay zero tax to \$24,000. Both would significantly expand the child tax credit, helping business owners and families cover the ever-increasing cost of child care.

Both call for the elimination of the 15 percent and 28 percent tax brackets in favor of expanded income thresholds at lower rates.

Small businesses wouldn't be the only ones to benefit from these tax savings. According to a recent nationwide poll of small-business owners conducted by the Job Creators Network, most respondents would direct their tax savings to new jobs, higher wages and business expansion.

These bills give small-business owners, and all Americans, much to be thankful for this Thanksgiving.

[Read the full op-ed here.](#)

CNBC: Treasury Secretary Mnuchin Says He Expects A GOP Tax Cut Bill Will Be Sent To Trump To Sign By Christmas

Treasury Secretary Steven Mnuchin told CNBC on Friday he expects a Republican tax reform bill to be sent to President Donald Trump to sign by Christmas.

"We're very excited about the timeline," Mnuchin said on "Squawk Box." "We're going to have the Senate, as soon as they get back from Thanksgiving, vote on the bill."

"We have every reason to think it will get to the president's desk before Christmas for him to sign," he added.

House Republicans passed a monumental bill to cut taxes on businesses and individuals on Thursday in the GOP's once-in-a-generation effort to overhaul the American tax system. The plan passed by 227-205.

Trump tweeted late Thursday about the bill passage, calling it a "big win" for the House.

Mnuchin said on CNBC Friday that the House tax bill will place a higher burden on those who earn more than \$1 million per year but provide a break to everyone else.

Meanwhile, members of the Senate Finance Committee voted to approve their version of a tax package late Thursday. The approval is seen as a crucial step for the Senate to consider the bill after Thanksgiving.

But complicating matters for the Senate is a Joint Committee on Taxation analysis released Thursday, which says that average taxes for all income groups would go up by 2027 after initially dropping under its plan.

Mnuchin maintained on CNBC Friday, "The focus of the plan really is middle-class tax cuts and delivering those right away and making our business tax system competitive."

The objective of the plan is to simplify taxes and level the playing field, he added.

As a result of rules on Capitol Hill, Mnuchin said, "There are certain parts of this that expire, but we have every expectation that down the road, Congress will extend them."

If the Senate is also able to pass its bill, congressmen and senators would then work to reconcile the measures and craft one piece of legislation. If that were to pass both chambers, it would go to Trump for approval.