

**From:** Gross, Joshua <Joshua.Gross@mail.house.gov>  
**To:** Danny Varat <DannyVarat@scstatehouse.gov>  
**Date:** 12/5/2017 4:59:50 PM  
**Subject:** Re: Tax Reform Follow Up Information

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This is not a seniors friendly tax package necessarily. There's really nothing in here for older folks.

I haven't looked at the Senate package to see what they did on the school choice front, I know that the house bill included an expansion of 529 accounts to include K through 12. We'll have to see what comes at a conference. Both bills kept the adoption tax credit.

Sent from my iPhone

On Dec 5, 2017, at 3:19 PM, Danny Varat <DannyVarat@scstatehouse.gov> wrote:

I hate to bug you for all things federal policy, but, Kevin would like to do something like this, and I have a question. Do you know of any specific ways the proposal(s) help seniors. I asked Chris about it, but he has not sent anything specific. Is there anything, alternatively, that helps us with school choice or adoption/foster issues? Thanks for your help

DV

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**From:** Gray, Christopher S. EOP/WHO [mailto:Christopher.S.Gray@who.eop.gov]  
**Sent:** Tuesday, December 05, 2017 1:17 PM  
**To:** Danny Varat <DannyVarat@scstatehouse.gov>  
**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  
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**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.

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**PRESIDENT DONALD J. TRUMP IS GIVING SMALL BUSINESSES A BOOST**

*“Together we are unleashing a new era of American prosperity, perhaps likes we have never seen before.” – President Donald J. Trump*

**SMALL BUSINESSES ARE CRITICAL TO THE ECONOMY: Small businesses are a primary driver of the American economy and when they succeed so does the country.**

- There are nearly 30 million small businesses in the United States, employing 57.9 million American workers, according to the U.S. Small Businesses Administration.
- 48 percent of all American workers are employed by small businesses, defined as firms employing fewer than 500 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 per year, according to the Bureau of Labor Statistics.
- Nearly half of the United States gross domestic product (GDP) is driven by small businesses, according to the U.S. Chamber of Commerce.
- 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 cuts taxes for small businesses.**

- Under the House tax reform bill, businesses organized as sole proprietors, S corporations, or partnerships would have their top marginal tax rate capped at 25 percent for qualified business income.
- 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 currently face a top Federal marginal tax rate of 39.6 percent.
- Under the House bill, small businesses that file a joint return would have their first \$75,000 of income taxed at a low rate of 9 percent.
- Under the Senate bill, businesses organized as sole proprietors, S corporations, and partnerships would be able to deduct 17.4 percent of their qualified business income with some restrictions on high-income households.
- For the next five years, American businesses will be able to immediately write off the full cost of their

heavy equipment and other capital investments.

- This will help American businesses afford the heavy industrial machinery and other capital investments they need to grow.

**HIGHER GROWTH, HIGHER WAGES, AND MORE JOBS: The tax reform bills in the House and Senate will increase investment in the American economy, leading to higher growth, increased wages, and more jobs for hardworking Americans.**

- Cutting the top Federal corporate tax rate from 35 percent to 20 percent and allowing businesses to write off the full cost of non-structure capital investments immediately would mean faster economic growth and higher wages, according to President Trump's Council of Economic Advisers (CEA).
- 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 output, based on CEA's calculations and the Congressional Budget Office's baseline.
- Just cutting the corporate tax rate to 20 percent is estimated to increase long-run GDP by 3.1 percent, according to the Tax Foundation.
- Developed countries that have lowered their effective corporate tax rates have experienced wage growth across skill levels.
- 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 with developed countries with higher rates.
- Cutting corporate tax rates will encourage firms to invest back in the United States, creating well-paying jobs for hardworking Americans.
- After President Bush's 2003 tax cuts, the economy created 7.8 million jobs over five years, based on data from the Bureau of Labor Statistics.
- After President Reagan's 1981 tax cuts, the economy created 14.8 million jobs over five years based on data from the Bureau of Labor Statistics.
- After President Kennedy's tax cuts, the economy created 12.0 million new jobs over five years based on data from the Bureau of Labor Statistics.

**REMOVING THE BURDEN ON SMALL BUSINESSES: President Trump has already taken action to remove the regulatory burdens all businesses face, particularly small businesses.**

- 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 face regulatory costs nearly 20 percent higher than the average for all firms, according to the U.S. Chamber of Commerce and the National Association of Manufacturers.
- Small businesses are punished disproportionately by excessive government regulation and face \$11,724 in regulatory burdens per employee versus \$9,083 for firms with more than 100 employees, according to a study by the National Association of Manufacturers.
- President Trump signed an Executive Order, which mandates that for every one new regulation, two old regulations must be eliminated in order to control regulatory costs.
- President Trump signed into law 15 Congressional Review Act resolutions – blocking harmful Obama-era regulations from being implemented.
- In President Trump's first six months, the Administration has approved the fewest regulations with an economic impact of more than \$100 million in more than twenty years, according to the American Action Forum.

### **US Stocks Claw Back Some Losses As Taxes Retake Focus**

The sell-off triggered by a report that former national security adviser Michael Flynn may have cut a deal to testify against President Donald Trump has pulled back as Wall Street shifts its focus back to the Senate's tax legislation.

The S&P 500, Nasdaq Composite and Dow Jones Industrial Average all plummeted shortly after the ABC report, bringing their losses on the day to more than 1 per cent. And while the Senate is still working towards a vote on the tax legislation, majority leader Mitch McConnell helped revive optimism about tax cuts by declaring that there was 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 telecoms and energy sectors both in the black. The Dow was down just 0.3 per cent from the open, while the Nasdaq Composite was down 0.63 per cent.

The dollar index — measuring the buck against a basket of peers — bounced back from its low point of the day to trade down 0.16 per cent at 92.89, while yields on 10-year Treasuries ticked back higher to 2.36 per cent. Meanwhile, gold sanded off some of its gains to trade at \$1,281 a troy ounce.

THE WHITE HOUSE  
Office of the Press Secretary

FOR IMMEDIATE RELEASE  
December 4, 2017

**WASHINGTON EXAMINER EDITORIAL BOARD: “DEMOCRATS’ STRAW MAN FIGHTS  
TAX CUTS”**

*“Tax reform, by closing loopholes, will reduce distortions, so productive activities are prioritized over unproductive ones designed merely to win tax credits. Reform will also remove incentives for companies to move offshore and keep overseas profits abroad.”*

**Democrats’ straw man fights tax cuts**

Editorial  
Washington Examiner  
December 4, 2017

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But the lesson here is not that corporate tax cuts don’t and won’t create jobs. Companies that spend an inordinate time scheming to avoid tax, and less time growing an efficient business, do so because the tax code encourages them to behave that way. They are slower to invest in making money the productive way because real business activity is 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 why lower tax rates are needed without delay.

...

The main point of lowering tax rates and getting rid of loopholes is to encourage corporations to spend more time, effort, and investment on productive activity, and less time on devising new methods of minimizing tax exposure. Less productivity is detrimental to the economy.

Because the U.S. has nearly the highest corporate tax rate in the industrialized world, American companies spend a significant, even outlandish, number of man-hours and money figuring out how to avoid paying it. They exploit loopholes, forgo opportunities, and worst of all, avoid bringing their profits home for reinvestment.

Tax reform, by closing loopholes, will reduce distortions, so productive activities are prioritized over unproductive ones designed merely to win tax credits. Reform will also remove incentives for

companies to move offshore and keep overseas profits abroad.

Many companies would love to invest overseas after-tax profits in their American operations, but this would require them to surrender an enormous share of the money to the U.S. Treasury.

By removing incentives for irrational behavior, tax reform can dramatically increase the amount of corporate investment within America. It's not just that corporations get some extra money to pass along. Rather, they'll be freed up to operate in a whole new and far more efficient way that will inevitably result in new opportunities to grow and greater success against foreign competitors.

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[Read the full editorial here.](#)