



November 16, 2017

## **Key Vote YES the Tax Cuts and Jobs Act, H.R. 1**

On behalf of our activist community, I urge you to contact your representative and ask him or her to vote YES on the Tax Cuts and Jobs Act, H.R. 1, introduced by House Ways and Means Committee Chairman Kevin Brady (R-Texas). The bill would grow Americans' wages, consolidate tax rates and reform the tax code, and make American businesses more competitive internationally.

The Tax Cuts and Jobs Act would consolidate the individual tax rate structure by creating a new four-rate income tax structure, as well as nearly double the standard deduction. Importantly, the proposal repeals most tax credits and deductions. This would simplify the tax code, reducing the annual tax compliance burden, which, in 2016, consumed 8.9 billion hours and \$409 billion out of Americans' pockets. According to the Joint Committee on Taxation (JCT), every income group would see its average effective tax rate decline compared to current law. The bill also repeals the estate tax, commonly and correctly known as the "death tax."

The Tax Cuts and Jobs Act would reduce the statutory corporate income tax rate to 20 percent from 35 percent, beginning in tax year 2018. As the Tax Foundation has noted, the average corporate income tax rate in the world is 22.5 percent. Lowering the corporate rate to 20 percent would make the United States more competitive on the international stage and keep American jobs at home. It would also allow for five years of full and immediate expensing of capital investments.

There are improvements that could be made. The top individual income tax bracket of 39.6 percent and the proposed "bubble tax" should be eliminated to ensure that job creators and producers in our economy are not being penalized or taken advantage of for their success. Further changes should be made to provide enough flexibility to pass-through businesses.

Finally, the repeal of the individual mandate should be included in the conference committee. This is a regressive tax. The Internal Revenue Service (IRS) shows that nearly 80 percent of households that pay this tax for not purchasing expensive health insurance plans under ObamaCare earn under \$50,000. These are low and middle income Americans who may not have

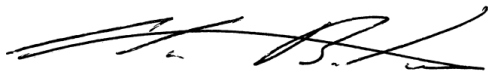
the means necessary to purchase coverage, even with subsidies. Inclusion of the repeal of the individual mandate also sends a message that Congress is not finished with the topic of health insurance reform.

We hope at least some of these concerns can be addressed within the confines of the FY 2018 budget resolution in the conference committee between the House and Senate.

The economy has not seen annual economic growth of 3 percent or higher since 2005. The tax and regulatory climate under the previous administration did not help as the United States was recovering from the Great Recession. FreedomWorks is confident that the plans offered by the House Ways and Means Committee and Senate Finance Committee will grow the economy, put more money in the pockets of Americans, and make the United States more competitive.

FreedomWorks will count the vote on the Tax Cuts and Jobs Act, H.R. 1, on our 2017 Congressional Scorecard. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized, flowing script.

Adam Brandon  
President, FreedomWorks