Republican Motion #1

NO HANDOUTS OR TAX CUTS FOR THE WEALTHY

Offered by Representative Jason Smith (MO-08)

Mr. Smith moves that the Committee on the Budget direct its Chairman to request on behalf of the Committee that the rule providing for consideration of the bill shall make in order an amendment that would prevent new or expanded benefits from going to individuals making more than $100,000 per year or families making more than $200,000 per year and ensure that the current law capped State and Local Tax (SALT) deduction is not increased or removed.

Background

(1) This bill includes $4.3 trillion of new spending, the most expensive bill in American history.

(2) While proponents of the bill argue its spending is concentrated among low- and middle-income families, hundreds of billions of dollars of new spending directly benefits high-income individuals.

(3) Washington Democrats' plan to give tax breaks and handouts to the wealthy includes, but is not limited to:
   a. $42.3 billion in tax credits for the wealthy to purchase electric vehicles (EVs) and $7.4 billion in new tax credits for electric bicycles.
      i. The Congressional Research Service found that 78 percent of EV credits are claimed by those making $100,000 or more per year. For example, a family making $800,000 could receive up to a $12,500 tax subsidy for the purchase of their brand-new car.
   b. $28,000 in taxpayer-funded paid leave benefits for households making $500,000 a year.
   c. $1,200 average monthly child care subsidy for a family of four making $200,000 a year.
   d. $50 billion to award free college to students, including those from millionaire families.
   e. $82,000 government homebuying subsidy available to individuals making $200,000 a year.
   f. $10,000 more in Obamacare premium tax credits for families making more than $200,000 per year than for families making $50,000 per year.

(4) Additionally, Democrats have not ruled out adding in another costly provision that is a direct giveaway to the rich.
   a. Increasing or repealing the current $10,000 limitation on the SALT deduction would cost approximately between $34 billion and $95 billion per year, respectfully, while benefitting the wealthiest Americans living in blue states.

b. Increasing or repealing the $10,000 SALT deduction cap would benefit wealthy Americans.
    i. The top ten percent of taxpayers would receive 90 percent of the benefit when repealing the $10,000 SALT deduction cap.
    ii. Repealing the $10,000 SALT deduction cap would provide a $35,660 tax cut to the richest one percent of Americans while providing a $2 tax cut to the lowest 40 percent of taxpayers.
    iii. Repealing the $10,000 SALT deduction cap this year would provide a $153,680 tax cut to the richest 0.1 percent of Americans.

(5) Before considering spending billions of taxpayer dollars per year through federal spending programs and the tax code to benefit the wealthy, Democrats should first prevent the new tax increases that the Joint Committee on Taxation has already confirmed will occur for low- and middle-income families under this bill.

a. This bill includes $2.1 trillion in tax increases on families and hardworking Americans, including nearly $1 trillion in new taxes on job creators. The Joint Committee on Taxation has confirmed that the tax burden will hit low- and middle-income Americans with incomes less than $100,000. Specifically, this legislation includes:
    i. a $54.3 billion tax increase on grieving families by slashing the death tax exemption in half;
    ii. a $78 billion tax hike on small businesses and hardworking Americans by arbitrarily limiting the 20 percent small business deduction (Section 199A); and,
    iii. a regressive $96 billion tax increase on tobacco and nicotine products that will disproportionately impact low- and middle-income Americas with 77 percent falling on those making less than $100,000 a year.

b. Additionally, the Joint Committee on Taxation found that two-thirds of the $540.1 billion business tax increase will fall on low- and middle-income Americans in the long-run.