



Don't Undermine Historic Tax Reform by Reviving Corporate Welfare

January 17, 2018

Dear Representatives and Senators,

On behalf of the millions of Americans that our grassroots organizations represent, we urge you to oppose any effort to insert corporate welfare provisions into the newly reformed tax code during the upcoming consideration of government funding legislation.

Our organizations worked diligently to help Congress pass the Tax Cuts and Jobs Act of 2017 (TCJA), historic legislation that provides the first major tax reform and relief in more than 30 years. The TCJA, in addition to providing significant relief to millions of American taxpayers, also took a positive step toward unrigging the tax code by eliminating carve-outs, loopholes, and deductions that benefited the few at the expense of the many and prevented capital from being put to its most productive use.

Corporate welfare provisions excluded from the tax legislation include a host of expired and expiring carve-outs, known as “tax extenders,” credits and deductions claimed almost exclusively by powerful and well-connected special interests.

While we applaud Congress for removing these carve-outs, we understand that some lawmakers are now attempting to revive these provisions as part of upcoming government-funding legislation—efforts that our organizations will strongly oppose.

The goals of the TCJA were to provide relief to American taxpayers across the board, eliminate complexity, and spur economic growth. New corporate welfare provisions should be a nonstarter for anyone who supported the TCJA, and especially those concerned about adding to the deficit and rigging the tax code to benefit special interests. These tax extenders will do nothing to generate economic growth; they are simply subsidies to unfairly prop up select businesses and industries.

This upcoming government funding fight is shaping up to be the first real test of the TCJA and its stated goal of rooting out corporate welfare, stopping the federal government from picking winners and losers, and creating a code that works for all Americans. We urge lawmakers to continue to stand strong against the special interests that will no doubt seek to reinsert their particular provision or benefit.

Including this corporate welfare in any deal would be a significant and disappointing step backwards that would weaken historic tax reform just weeks after it was passed. Reverting back to business as usual would send the wrong message to the American people and give a green light for special interests to resume their practice of rent-seeking, which harms hardworking taxpayers.

We look forward to working with lawmakers to ensure that no new corporate welfare is added to the just-reformed tax code. If we can't eliminate these egregious examples of corporate welfare and reckless spending once and for all, how can we ever expect Congress to address entitlements, the biggest drivers of our debt?

Sincerely,



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