

April 9, 2019

The Honorable Richard Neal
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles E. Grassley
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Neal, Chairman Grassley, Ranking Member Brady and Ranking Member Wyden:

On behalf of the [Tax Alliance for Economic Mobility](#),¹ a coalition of over 40 diverse members, including racial and gender justice advocates, child advocates, anti-poverty advocates, asset-building advocates and tax reform experts, we are writing to urge you to leverage your positions of leadership over the course of the 116th Congress to ensure that the overall tax code and individual tax policies work for everyone—especially working families, families of color, women, and children.

As a coalition that works to identify near- and long-term economic policy solutions to help these communities, we believe the U.S. tax code is one of the most powerful tools our government has available towards ensuring working families can achieve long-term economic mobility and prosperity. Unfortunately, despite the numerous changes made to the federal tax code through the enactment of the Tax Cuts and Jobs Act of 2017 (TCJA, PL 115-97) during the previous Congress, the potential of our overall tax code to have meaningful and long-term economic impacts on the lives of working families remains unfilled.

While some workers have experienced modest gains from the tax legislation since it was enacted into law, those gains have been small compared to the support the TCJA provided to wealthy individuals and households. When considered through the perspective of racial equity, the TCJA missed a critical opportunity to better support the economic potential of communities of color.² And to the extent that working families have benefited from the TCJA, those benefits have begun to wear off just one year after the law's passage.³

Just as unfortunate, given the impact the TCJA's estimated \$1.9 trillion cost has on the deficit, we also remain concerned by the fact that some have used this as a moment to argue for cuts to Medicare and Social Security, as well as to other critical public benefits—including those that support health, housing and food assistance for low- and moderate-income families and children.

Over the course of the next two years, we urge you to work to create a more equitable tax code that will expand opportunity for everyone across the country. Specifically, as you examine the TCJA and debate a range of tax policies to support the economic outlook of families and boost the economy, we ask that you

¹ Although this letter represents the view of the Tax Alliance as a whole, it does not necessarily represent the perspective of every individual member of the Alliance.

² Meg Wiehe, Emanuel Nieves, Jeremie Greer and David Newville, "[Race, Wealth and Taxes: How the Tax Cuts and Jobs Act Supercharges the Racial Wealth Divide](#)," (Washington, DC: Prosperity Now, ITEP, 2018)

³ Jim Tankersley, "Trump's Tax Cut One Year Later: What Happened?", Dec. 27, 2018, New York Times, <https://www.nytimes.com/2018/12/27/us/politics/trump-tax-cuts-jobs-act.html>

preserve and expand on what works in the tax code for working families, such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC).

We also ask that you close critical gaps that have long-existed in these and other tax credits, including the EITC gap facing “childless workers” and the non-refundability of the Child and Dependent Care Tax Credit (CDCTC), as well as to rectify recent changes that create inequities and hardship for families. For example, the TCJA requires a Social Security Number for children claimed for the CTC—which researchers estimate will deny the CTC to nearly a million children⁴—as well as an expansion of the CTC that largely excludes many low- and moderate-income families who qualify for only a very small CTC or no tax credit increase at all.⁵

Ultimately, we thank you for considering our views, and we welcome the opportunity to speak with you and/or members of your staff to discuss in more detail our policy recommendations for creating a more fair, equitable and inclusive tax code throughout the 116th Congress.⁶

Sincerely,

The Tax Alliance for Economic Mobility

⁴ Jacob Leibenluft, "Tax Bill Ends Child Tax Credit for About 1 Million Children," Dec. 18, 2017, Off the Charts: Policy Insights Beyond the Numbers, Center on Budget and Policy Priorities, <https://www.cbpp.org/blog/tax-bill-ends-child-tax-credit-for-about-1-million-children>

⁵ Chye-Ching Huang, "Final CTC Changes Don't Alter Tax Bill Basics: 10 Million Working Family Children Get Little or Nothing," Dec. 15, 2017, Off the Charts: Policy Insights Beyond the Numbers, <https://www.cbpp.org/blog/final-ctc-changes-dont-alter-tax-bill-basics-10-million-working-family-children-get-little-or>

⁶ For more specific tax policy recommendations and reforms, please see our Tax Credits for Workers and Housing/Homeownership principles documents, which can be accessed here: <https://www.taxallianceforeconomicmobility.org/policy-principles-reforms>