

Congress of the United States
House of Representatives
Washington, DC 20515-2103

November 15, 2017

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
H-232 The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
H-107 The Capitol
Washington, D.C. 20515

Dear Speaker Ryan and Leader McCarthy,

I write to share with you the perspective and priorities of the district I represent on your proposed overhaul of the United States' tax code. If it is passed and becomes law, it will impact every American and shape our country for years to come.

Despite your repeated statements that H.R.1, the "Tax Cuts and Jobs Act," will benefit the American middle class, create new jobs, and boost our economy, I am deeply concerned that middle income Americans will receive at best one-fifth of the promised benefit of these tax cuts – meaning the other four-fifths are directed to businesses and the wealthiest on a long-ago debunked philosophy of trickle-down economics. And because these tax reductions are not offset, this bill will add \$1.5 trillion to our national deficit, meaning our children and grandchildren will pay the price and, inevitably, safety net programs like Medicare and Medicaid will be targeted for future debt and deficit reduction measures.

A bill of this complexity deserves months, not days, of debate so that we can fully understand its impact. It is unconscionable that this legislation has instead been developed behind closed doors by only a small number of Republicans with no public hearings or Democratic input at all, and was rushed through the Ways and Means Committee last week with a goal to bring it to the Floor before Thanksgiving for a vote. The American people deserve better than that from the People's House.

The bill includes a multitude of specific proposals I and the people of Massachusetts' Third District have told me they find objectionable. For example:

- Those with student loans would no longer be able to deduct the interest they pay on those loans, and hardworking teachers would not be able to deduct some of what they pay out of their own pockets to set-up their classrooms.
- People who spend more than 10% of their income on out-of-pocket health care costs could no longer deduct those costs. AARP has estimated that about seventy-five

percent of those who claim the medical expense deduction are 50 or older. In addition, more than 70 percent of those individuals earn \$75,000 or less per year, meaning our nation's seniors and low-income individuals will be hardest hit by this change.

- This legislation also gets rid of the federal historic tax credit, which has been key to the redevelopment of cities in the Third District. Projects like the L.H Hamel Leather Company in Haverhill, Bell Tower Square in Lawrence, and the Boott Mills Complex in Lowell would no longer be built. This legislation will harm, not help, the revitalization of towns in the Third District and similar communities across the United States who are making a dynamic comeback after years of challenges.
- This bill scraps the deductions for income and sales taxes but the deduction for property taxes is capped at \$10,000 per person. Almost 37% of filers in Massachusetts use the state and local tax deduction. Massachusetts Governor Charlie Baker has said "he has serious concerns about the impact that eliminating the state and local tax deduction would have on Massachusetts families" and he is far from alone in that concern.

These are just a few of the anxieties about the "Tax Cuts and Jobs Act" that constituents have raised with me and which I share with them. I urge you to not bring this bill to the Floor and instead work with Democrats in an open, bipartisan, and collaborative manner to create a tax reform bill that can actually make our tax code fairer, spur our economy, and benefit hardworking families and small businesses across the U.S.

Sincerely,



Niki Tsongas