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Dear Representative:

On behalf of the 2.5 million union members, retirees, and families of the New York State AFL-CIO, I write to urge you to reject any tax reform legislation that emerges from conference committee that cuts taxes for the wealthy on the backs of hardworking New Yorkers.

The job-killing tax plans passed by the House and Senate in the last few weeks, are nothing short of a disaster for working families, particularly the New Yorkers you represent. We simply cannot afford to let the proposals embodied in the misleadingly titled "Tax Cuts and Jobs Act" become law. Here's just some of the ways Republican plans get it wrong:

- **Millionaires and Wall Street would be the biggest beneficiaries.** The richest 0.1% would get an average tax cut of over \$182,000, and 62% of the tax breaks in the Senate bill would go to the richest 1%. Big banks, hedge funds, and other Wall Street firms would be the biggest beneficiaries of key provisions of the bill.
- **Millions of working people would pay more.** The average worker making under \$55,000 would pay more in taxes by 2027. In all, 87 million households making under \$200,000 would pay more in taxes by 2027. While millionaires with annual income above \$1 million would pay a total of \$5.3 billion less in taxes, middle class households with income between \$40,000 and \$50,000 would pay a total of \$4 billion more.
- **Outsourcing would be rewarded with job-killing tax breaks.** The Republican tax plan would lower the U.S. tax rate on offshore profits to zero, at a cost of \$216 billion, giving corporations more incentive to move American jobs offshore. It would also give corporations that have stashed their profits offshore, often in offshore tax havens, a tax break of \$454 billion on what they owe.
- **The proposals place a bullseye on New York with a destructive rollback of deductions for state and local taxes (SALT).** SALT is vital to middle class taxpayers in New York. In 2015, more than 3,319,820 households in New York claimed the SALT deduction, with 84.42% of those being middle-class.

Middle-class homeowners will be hit with a double whammy if SALT is cut: tax bills will go up while property values decline. According to recent analysis of IRS data, the loss or partial elimination of SALT would result in tax increases as high as \$6,300, or more than \$63,000 over 10 years, for many

suburban homeowners nationwide. Meanwhile, the National Association of Realtors and a recent analysis published by the New York Times have found that home values could decline by as much as 10% if SALT is eliminated. For many middle-class families in New York, their home is their largest asset and primary investment.

Eliminating the deduction for state and local taxes would also drastically reduce state and local investment in infrastructure and lead to \$350 billion in education cuts, jeopardizing the jobs of 350,000 educators. The tax bill would also eliminate tax breaks that help finance state and local infrastructure projects.

- **Removes incentives to prepare America's workforce for tomorrow.** By eliminating the income exclusion for employer provided educational assistance under Section 127, the House Bill penalizes workers and their employers alike. This is an important tool to help employers retain and build a skilled workforce, while assisting workers to improve their skillsets to compete in the global economy.
- **Working people would lose health care.** Health care premiums would rise 10% in the non-group market, 13 million people would lose their health insurance. Meanwhile, Republican leaders want to cut Medicaid and Medicare by \$1.5 trillion—the same price tag as their tax bill.
- **Workers would pay more.** While corporations would still be able to deduct their payments to lawyers to fight unions, union workers would pay more. Educators could no longer deduct school supplies bought for their students; and workers could no longer deduct job-related expenses such as work clothes, tools and supplies.
- **Students and people with high medical bills would pay more.** The Republican tax plan would eliminate the deduction for medical expenses, so people with high medical bills would pay more. The bill would also eliminate tax breaks for student loan interest and reduced tuition for graduate students, making it harder for working-class students to further their education.
- **Tax breaks for private school vouchers.** A new backdoor school voucher program would allow tax-free savings to pay for tuition at private K-12 schools.

The Republican tax plan would make working people pay the price for wasteful tax giveaways by sending our jobs overseas, killing jobs in infrastructure and education, raising our taxes, increasing the number of uninsured, and cutting the essential public services we depend on.

Thank you for your consideration. Should you need additional information or have any questions, please contact Ryan Delgado, New York State AFL-CIO Political Director, at (518) 436-8516 or rdelgado@nysaflcio.org.

Sincerely,



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