



## Tax Reform Heats Up in Washington, D.C.

President Trump and Congress have shifted their attention to tax reform, with the leadership in both the U.S. House of Representatives and U.S. Senate vowing to pass a major tax overhaul before the end of the year. The first step in the legislative process for tax reform requires Congress to pass a budget resolution which will instruct the tax policy bills. Passing a budget resolution with tax-writing instructions will allow the Senate to ultimately pass tax reform legislation with only 51 votes. The normal requirement to reach 60 votes would force more bipartisan negotiation on taxes. The House passed a budget resolution a couple of weeks ago and the Senate just passed their budget resolution last night.

The Senate budget resolution that just passed would pave the way for a tax bill that, if in line with the leadership proposed plan, largely benefits the wealthy and profitable corporations and would increase the federal deficit by \$1.5 trillion over the next decade. The House is now expected to concur in the Senate budget resolution next week and leadership is then expected to unveil tax reform bills that will not be subject to the usual 60 vote threshold in the Senate. If Congress stays on this path and ultimately passes a tax bill that increases deficits by \$1.5 trillion, no part of the budget will be safe from the resulting deeper budget cuts.

A tax reform bill that provides over a trillion dollars in tax cuts and does not identify other revenues through closing tax loopholes or other sources will place tremendous pressure on Congress as early as next year to start identifying areas of the federal budget to cut spending. No programs will be safe, and vital services like home visiting, Head Start, child care, food and housing assistance, and many others, all of which are heavily reliant on federal funding in Michigan, will inevitably be reduced or eliminated to pay for the tax cuts. Tax reform is a worthy goal, and Congress should have a real debate on changing our tax system to better serve working families and children. But blindly racing down a partisan path to enact massive tax cuts that will largely be realized by the wealthy will put children and families at risk for years to come. Our elected leaders can and must do better.

***Matt Gillard is the President and CEO of Michigan's Children, the only statewide independent voice working to ensure that public policies are made in the best interest of children from cradle to career, their families, and their communities.***