

Tax Fight The Beginning Of A Long Battle In Washington, D.C.

By virtually <u>every measure</u>, the tax bills that have passed the U.S. House and Senate are expensive new giveaways to wealthy households and major corporations at the expense of most Americans. The Senate tax plan passed would increase taxes for tens of millions of middle-class families, end health care for 13 million, explode deficits, and almost certainly force cuts to everything from nutrition assistance for families to education, Medicare, Medicaid, and infrastructure. The House and Senate bills are now being merged into a single conference report. Small changes that may be made quickly in conference by a handful of policymakers will not fix the bills' fundamental flaws.

Instead of raising taxes on millions of Americans to give tax cuts to the wealthy, Congress should work to advance tax policies that invest in families while ensuring that any tax bill is paid for by closing tax loopholes or other responsible tax changes. Refundability of the child tax credit, child care tax credits aimed at helping working families afford high-quality child care options for their children, and expansion of the earned income tax credit are all proven tax reform policies that support work and greatly benefit children and families. These ideas have always drawn significant bi-partisan support but were unfortunately not the focus of this Congress' hasty push for significant tax reform. Instead we are poised to be stuck with a major tax overhaul that will further benefit wealthy corporations and individuals and provide little or no benefit to millions of Americans. Furthermore, these changes will cost at least \$1.4 trillion.

Although the tax reform debate has been discouraging to child advocates and the bills' ultimate enactment seems inevitable, the real battle is just beginning. Adding \$1.4 trillion to our nation's deficit will place tremendous pressure on Congress to reduce spending and, in fact, many in Congress have indicated they view this as a two-step process with spending cuts as the next step. In public statements, leading Congressional members have already singled out programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), crucial education funding like Pell Grants and student loan programs as areas they expect to focus on for spending cuts. In a state like Michigan who has chosen to rely more heavily than most on federal funding for critical services, any of these and other potential cuts will have a devastating impact on children and families. Any reduction in federal funding will place tremendous pressure on our state budget, which will not be able to make up the difference in lost federal support.

The task at hand for child advocates is to continue to call upon your members of Congress to stand up for children and families as they move ahead on tax reform. Then the hard work continues to ensure that your elected officials know what programs are supporting children and families in their communities, and that you expect their spending decisions to protect them.

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.