

COMMITTEE APPROVED: Ways and Means Passes Historic Tax Cuts and Jobs Act

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WASHINGTON, D.C. – The House Ways and Means Committee today passed the *Tax Cuts and Jobs Act* (H.R. 1) – bold legislation to overhaul America’s tax code for the first time in 31 years.

With this bill, a typical middle-income family of four earning \$59,000 (the median household income) will receive a \$1,182 tax cut. The bill is expected to create nearly 1 million new jobs, increase annual after-tax income for middle-income households by an average of \$2,598, and grow our economy by more than 3.5 percent.

Upon passing the *Tax Cuts and Jobs Act*, Ways and Means Committee Chairman and lead bill sponsor Kevin Brady (R-TX) said:

“Today, the first and oldest Committee in Congress passed transformational tax reform legislation that charts a new course for the country. We reaffirmed for all of the families and Main Street businesses struggling to get by that relief is on the way – relief from a broken tax code, from a slow-growing economy, from stagnant wages, and from jobs fleeing overseas.

“The last four days of discussion and debate in our Committee proved Americans of all walks of life will be better off because of the Tax Cuts and Jobs Act. This legislation will reduce tax rates for Americans of all income levels so hardworking families can keep more of what they earn – that includes middle-income families in every Ways and Means Member’s district.

“Workers will finally be able to get the raise they deserve. More families will have help to buy a home, raise children, pay for college, and plan for their future. Businesses of all sizes will be able to create jobs, increase paychecks, and invest here at home.

“At every step of the way, we have listened to our colleagues and the people we represent back home. We took additional action to help low- and middle-income families and Main Street job creators – including preserving the adoption credit to support parents who open their hearts and homes to an

adopted child. We also establish a new, lower tax rate for start-ups to help them grow during their crucial first few years of business. And we made sure to meet our reconciliation instruction so we can get this bill to the House floor as soon as possible.

“After years of work, dozens of hearings, and multiple frameworks, we are one step closer to delivering true tax reform to the American people. This would not have been possible without our Members’ hard work and commitment to pro-growth solutions that will improve lives.

“As we move forward with the Tax Cuts and Jobs Act in the House, I congratulate Chairman Hatch and Senate Republicans on introducing their legislation today. We look forward to working with them to deliver a unified bill to President Trump this year.”

Tax Policy Subcommittee Chairman Peter Roskam (R-IL), an original cosponsor of the legislation, added:

“Today we’ve taken a big step forward in giving Americans the kind of tax system they deserve. The work we’ve done on this bill will ensure that hardworking, middle-class families are rewarded – not punished – for their success. We hope to continue to work with our democrat colleagues in a collaborative process to make real tax relief a reality for millions of Americans.”

For individuals and families, the Tax Cuts and Jobs Act:

- **Lowers individual tax rates for low- and middle-income Americans to Zero, 12%, 25%, and 35%** so people can keep more of the money they earn throughout their lives, and continues to maintain 39.6% for high-income Americans.
- **Significantly increases the standard deduction** to protect roughly double the amount of what you earn each year from taxes – from \$6,350 to \$12,000 for individuals and \$12,700 to \$24,000 for married couples.
- **Eliminates special-interest deductions that increase rates and complicate Americans’ taxes** – so an individual or family can file their taxes on a form as simple as a postcard.
- **Takes action to support more American families by:**
 - **Establishing a new Family Credit – which includes expanding the Child Tax Credit** from \$1,000 to \$1,600 to help parents with the cost of raising children, and providing a credit of \$300 for each parent and non-child dependent to help all families with their everyday expenses.

- **Preserving the Child and Dependent Care Tax Credit** to help families care for their children and older dependents such as a disabled grandparent who may need additional support.
- **Preserving the Adoption Tax Credit** so parents can continue to receive additional tax relief as they open their hearts and their homes to an adopted child.
- **Maintains the Earned Income Tax Credit** to provide important tax relief for low-income Americans working to build better lives for themselves.
- **Streamlines higher education benefits** to help families save for and better afford college tuition and other education expenses.
- **Continues the deduction for charitable contributions** so people can continue to donate to their local church, charity, or community organization.
- **Preserves the home mortgage interest deduction** for existing mortgages and maintains the home mortgage interest deduction for newly purchased homes up to \$500,000 – providing tax relief to current and aspiring homeowners.
- **Continues to allow people to write off the cost of state and local property taxes** up to \$10,000.
- **Retains popular retirement savings options** such as 401(k)s and Individual Retirement Accounts so Americans can continue to save for their future.
- **Repeals the Alternative Minimum Tax** so millions of individuals and families will no longer have to worry about calculating their taxes twice each year and pay the higher amount.
- **Provides immediate relief from the Death Tax by doubling the exemption and repealing the Death Tax after six years.** Family-owned farms and businesses will no longer have to worry about double or triple taxation from Washington when they pass down their life's work to the next generation.

For job creators of all sizes, the *Tax Cuts and Jobs Act*:

- **Lowers the corporate tax rate to 20%** – down from 35%, which today is the highest in the industrialized world – the largest reduction in the U.S. corporate tax rate in our nation's history.
- **Reduces the tax rate on the hard-earned business income of Main Street job creators to no more than 25%** – the lowest tax rate on small business income since World War II.

- **Provides a new, low tax rate of 9% for businesses earning less than \$75,000 in income** to help the Main Street startups who fuel innovation and job creation in communities across the country
- **Establishes strong safeguards to distinguish between individual wage income and “pass-through” business income** so Main Street tax relief goes to the local job creators it was designed to help most.
- **Allows businesses to immediately write off the full cost of new equipment** to improve operations and enhance the skills of their workers – unleashing the growth of jobs, productivity, and paychecks.
- **Protects the ability of small businesses to write off the interest on loans** that help these Main Street entrepreneurs start or expand a business, hire workers, and increase paychecks.
- **Retains the low-income housing tax credit** that encourages businesses to invest in affordable housing so families, individuals, and seniors can find a safe and comfortable place to call home.
- **Preserves the Research & Development Tax Credit** – encouraging our businesses and workers to develop cutting-edge “Made in America” products and services.
- **Strengthens accountability rules for tax-exempt organizations** to ensure that churches, charities, foundations, and other organizations receiving tax-exempt status are focused on helping people and communities in need.
- **Modernizes our international tax system** so America’s global businesses will no longer be held back by an outdated “worldwide” tax system that results in double taxation for many of our nation’s job creators.
- **Makes it easier for American businesses to bring home foreign earnings** to invest in growing jobs and paychecks in our local communities.
- **Prevents American jobs, headquarters, and research from moving overseas** by eliminating incentives that now reward companies for shifting jobs, profits, and manufacturing plants abroad.

[CLICK HERE](#) to learn more about the *Tax Cuts and Jobs Act*.