September 12, 2018

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the members of the American Federation of State, County and Municipal Employees (AFSCME), I urge you to oppose H.R. 6760 because it provides huge tax break giveaways that disproportionately benefit the wealthiest 1 percent and provides little or nothing to tens of millions of working families. AFSCME opposes this package of regressive and expensive tax breaks and we urge you to vote “No”.

AFSCME is concerned this tax package, rather than benefitting working families, would provide those so inclined with new excuses to cut federal funding to Social Security, Medicare, Medicaid, education, and other vital public services. According to public opinion polls and economic data, the first round of tax breaks enacted in November 2017 is doing very little for working families, creating very few jobs, and has failed to deliver on a promise to provide working families with a $4,000 pay raise. While Congress should invest precious resources in our struggling communities, this new bill merely shoves more cash to the wealthy few. For this reason, AFSCME also strongly opposes the provision that permanently repeals or caps federal itemized deductions for State and Local Taxes (SALT), which will harm the finances of states and localities.

Rather than diverting the immediate $630 billion cost of these tax expenditures and the 10-year cost (2026 to 2035) of $2.8 trillion, Congress should invest now to help working families by strengthening public education and schools, delivering access to quality health care, and providing affordable housing. Congress should focus on legislation that immediately raises federal revenues to pay for needed social services, closes troubling tax loopholes, ends unfair tax incentives to send jobs and profits overseas, and ensure the wealthy and corporations pay their fair share of taxes.

We also strongly oppose a provision in the retirement package (The Family Savings Act of 2018, H.R. 6757), which would effectively overturn existing Internal Revenue Service (IRS) policy regarding public pension contributions. H.R. 6757’s provision impacting the “pick up” rule would open up the door for employers to coerce employees into “voluntarily” opting into a lower benefit plan. AFSCME opposes any provision weakening retirement security for workers. We also oppose H.R. 6757’s provisions to create troubling new “Universal Savings Accounts”
(USAs), which would be a new tax-preferred account similar to a Roth Individual Retirement Account (IRA) without income limits and allowing account holders to withdraw assets before retiring. This misguided approach is insufficient to encourage working families to save and instead would disproportionately benefit the wealthy.

AFSCME urges you to oppose this misguided, regressive, and unnecessary tax package.

Sincerely,

Scott Frey
Director of Federal Government Affairs

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