

## ***Andy Barr Office Visit December 12, 2017***

### **Synopsis**

Since taking office in January of 2013, Andy Barr has continually harped on deficits, voting against increasing the debt limit, complained about the need to get our nations finances in order and how the deficit is clogging the engine of economic growth.<sup>1-4</sup> Yet, the House passed Tax Cuts and Jobs Act will increase the deficit by over \$1 trillion over the next ten years. What is even more problematic is the bill is the most regressive tax cut in 50 years, favoring the wealthiest Americans with the largest tax cuts and the poorest and middle-class Americans with the smallest share of the tax relief.<sup>5</sup> Moreover, after 10 years, 60% of American workers will see their taxes increase, while taxes on the wealthiest will remain below what they were in 2017.<sup>5</sup> That essentially cost-shifts more of the burden of Federal taxes from the wealthiest Americans to working Americans. The House tax plan also eliminates the Estate Tax paid by the wealthiest of Americans, thus facilitating wealth stagnation and the permanent wealthy class in America, in place of wealth defined by effort and ability. Kentucky has almost 1/10 (9 out of 100) of the poorest counties in the US, with high unemployment and little work, and 21/100 of the poorest counties based on overall median family incomes.<sup>6-8</sup> Yet there is no part of the House bill specifically designed to address the actual creation of jobs, let alone jobs in poorest areas of the US, leaving job creation to an act of faith that it will occur because of business tax cuts. The tax loopholes closed are mostly those used predominantly by middle-class Americans (health care deduction, State and Local income taxes, limits on mortgage interest). This is why nearly 10% of middle class Americans will actually see their taxes increase next year under this plan. This leads to the following questions for Barr.

### **QUESTIONS:**

1. Barr has complained about deficits since his first month in office, yet has ignored the deficit is larger now than during any time he complained about it (\$20.25 Trillion) and will be increased further by the House Tax bill. Historical evidence does not indicate tax cuts have ever stimulated the economy more than the loss in tax revenue<sup>9</sup>, ***would Barr please justify his position on why greater deficits don't matter now, but did matter earlier during the prior administration?***
2. The tax cuts are particularly onerous because in 10 years they will cost-shift more of the tax burden from the wealthy to the poorest. Those making \$1 million or more in 2027 will see lower taxes of \$5.3 billion, while the poorest 60% of Americans (making less than \$75,000) will end up paying \$3.43 billion more.<sup>10</sup> ***Would Barr please explain how asking those receiving the least to pay more so those with the most can avoid their responsibilities and obligations and pay less, makes sense?***
3. One of the most egregious parts of the Tax bill is the elimination of Estate Taxes, which are paid only by the wealthiest 0.2% of Americans currently, and encourages wealth stagnation in place of actual wealth creation based on ability and effort. ***How does Barr justify such a provision in which the wealthiest 0.2% of Americans avoid paying taxes that will cost the Federal government an estimated \$300 billion per year by 2027?***
4. Although House Bill 1 is called the Tax Cuts and Jobs Act, there is not actually any part of the bill that specifically addresses the creation of jobs or the requirement to create jobs in order to receive a tax cut by business.<sup>11</sup> ***Could Barr please explain how jobs are created, particularly in some of the poorest counties in Kentucky, just because businesses get a tax cut without resorting to unfounded assumptions about growth and investments by businesses?***
5. House bill 1, closes tax deductions for medical expenses, state and local income tax deductions, limits mortgage interest, student interest deductions among others used by middle income tax payers. It lowers the flow through business tax from 35 to 25%, eliminates the estate tax and reduces the corporate tax and institutes a territorial tax that eliminates taxes on foreign income the benefits primarily the wealthiest tax payers. ***Other than lowering the tax burden for the wealthiest, would Barr please explain the precise tax loopholes the H.B. 1 bill closes for wealthy tax payers and how their tax cuts in anyway makes taxes "fairer"?***

## ***Andy Barr Office Visit December 12, 2017***

### **REFERENCES**

1. Barr website, Apr. 26, 2013. <https://barr.house.gov/media-center/press-releases/video-barr-lauds-ky-workforce-calls-for-pro-growth-policies>
2. Barr website, Sept. 8, 2017. <https://barr.house.gov/media-center/press-releases/congressman-barr-fights-for-fiscal-responsibility>
3. Barr website, Oct. 16, 2013. Barr: Limit Debt before raising the Debt limit. <https://barr.house.gov/media-center/press-releases/barr-limit-debt-before-raising-debt-limit>
4. Barr website, Feb. 12, 2014. Barr Statement on Debt Limit. <https://barr.house.gov/media-center/press-releases/barr-statement-on-debt-limit>.
5. Is the GOP tax plan and unprecedented windfall for the wealthy? We looked at 50 years of data to find out. A. Van Dam, The Washington Post, Dec. 4, 2017. [https://www.washingtonpost.com/news/wonk/wp/2017/12/04/is-the-gop-tax-plan-an-unprecedented-windfall-for-the-wealthy-we-look-at-50-years-of-data-to-find-out/?utm\\_term=.26149d67bf27](https://www.washingtonpost.com/news/wonk/wp/2017/12/04/is-the-gop-tax-plan-an-unprecedented-windfall-for-the-wealthy-we-look-at-50-years-of-data-to-find-out/?utm_term=.26149d67bf27)
6. List of lowest-income counties in the United States based on per capita and median household income. Wikipedia. [https://en.wikipedia.org/wiki/List\\_of\\_lowest-income\\_counties\\_in\\_the\\_United\\_States](https://en.wikipedia.org/wiki/List_of_lowest-income_counties_in_the_United_States)
7. A north and south still divided: New Data reveal the poorest counties in America, where household incomes are up to \$35,000 lower than the state average. S. Jane Evans, Daily Mail, Jan. 2015, <http://www.dailymail.co.uk/news/article-2905611/A-North-South-divided-New-data-reveals-poorest-counties-America-household-incomes-35-000-lower-average.html>
8. Inside Owsley: America's poorest white county. P. Strickland, aljazeera. Nov. 2016. <http://www.aljazeera.com/indepth/features/2016/11/owsley-feeling-forgotten-america-white-county-161107111708901.html>
9. Tax Cuts and Economic Growth. R. Samuelson, Oct. 30, 2017. Real Clear Politics. [https://www.realclearpolitics.com/articles/2017/10/30/tax\\_cuts\\_and\\_economic\\_growth\\_135388.html](https://www.realclearpolitics.com/articles/2017/10/30/tax_cuts_and_economic_growth_135388.html)
10. Congressional Budget Office, Keith Hall, Director, Nov. 27, 2017. <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53349-distributionalanalysisletter.pdf>
11. H.B. 1 Tax Cuts and Jobs Act, <https://www.congress.gov/>
- 12.
- 13.