

May 21, 2024

The Honorable Charles Schumer  
Majority Leader  
S-221, The Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
S-230, The Capitol  
Washington, D.C. 20510

The Honorable Mike Johnson  
Speaker  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
Minority Leader  
H-204, The Capitol  
Washington, D.C. 20515

The Honorable Ron Wyden  
Chair, Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Mike Crapo  
Ranking Member, Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Jason Smith  
Chair, Committee on Ways and Means  
1139 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Richard Neal  
Ranking Member, Committee on Ways and Means  
1139 Longworth House Office Building  
Washington, D.C. 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Johnson, Minority Leader Jeffries, Chair Wyden, Ranking Member Crapo, Chair Smith, and Ranking Member Neal:

In 2025, we urge you to enact true pro-growth tax reform that supports public investments, brings good jobs back from overseas, combats harmful concentrations of economic power, reduces poverty and racial disparities, improves health, and directly mitigates the economic risks of climate change and an unsustainable fiscal trajectory.

The pre-2017 tax code was deeply flawed: it did not generate enough revenue to support pro-growth investments and fiscal responsibility; it reinforced economic, gender, and racial disparities; and it asked too little of the very wealthy and large corporations. In 2017, President Donald Trump and congressional Republicans pushed through a tax bill that made those problems worse. Over the unanimous opposition of congressional Democrats and against the wishes of the majority of the public, the Trump tax bill – the Tax Cuts and Jobs Act (TCJA) – made massive and permanent cuts to corporate taxes and temporary cuts to individual and estate taxes that have largely benefitted the wealthy and eroded tax revenues even further.

At the end of 2025, several provisions of the Trump tax law will expire. **We urge you to use the expiration of these provisions as an opportunity to address long-standing problems with our tax code, not just to tinker around the edges.** Congress should pursue reforms – including corporate tax reforms – that stem the decades-long tide of tax cuts for the rich and corporations that have undermined fairness, eroded revenues needed for pro-growth investments, and stifled economic opportunity.

Specifically, we believe that any 2025 tax reform effort must, at a minimum, achieve three concrete goals:

- Make the tax code **more fair** by asking high-income households (those who take home more than \$400,000), the extremely wealthy, large profitable corporations, and Wall Street to pay a greater share of their income in taxes than if each of the expiring TCJA provisions were simply allowed to expire, while also restoring essential supports for children and families with low or moderate income or wealth and families who've experienced discrimination.
- Raise **more revenue** than would be generated by letting all of the temporary TCJA provisions sunset, so that we can support much-needed investments in everyday Americans; make good on our commitments to our seniors, families, and historically underfunded communities; and reduce our fiscal risks.
- Support **greater and more inclusive economic growth** by providing more financial security and opportunities for typical Americans, narrowing racial wealth gaps by boosting economic mobility, and disincentivizing economically harmful conduct by large corporations.

To begin, the latest analysis confirms that **the Trump tax bill was a failure on its own terms**. The Trump Administration claimed that the TCJA's corporate tax cuts would lead to significantly [higher wages for typical workers](#), but in reality, workers who earned less than \$114,000 – the overwhelming majority of Americans – [did not experience any increase in earnings](#) from the TCJA while the compensation of top corporate executives [skyrocketed](#). TCJA supporters also claimed the tax cuts would “pay for themselves,” but instead the Congressional Budget Office projects that they will increase deficits by [nearly \\$2 trillion](#) over a 10-year period.

The Trump tax bill was a large and costly mistake, and the expiration of many of its key provisions presents an opportunity for Congress to do better for the American people in 2025. The 2025 reform effort should accomplish three goals:

**First, any 2025 tax reform effort must require the rich and large corporations to begin paying their fair share—meaning they pay a higher effective tax rate than they would have had the TCJA not been enacted—while also restoring essential support for children and families with low or moderate income or wealth and families who've experienced discrimination.**

Over the last [sixty years](#), the very richest Americans have [lobbied for](#) and received a dramatic reduction in their tax rates. The richest Americans today pay a far lower average tax rate than they did in decades past. A tax code that allows many wealthy individuals to pay a lower proportion of their income in tax than teachers or firefighters is fundamentally unfair.

Tax reform must result in a more progressive tax code that asks higher-income and higher-wealth households, corporations, and Wall Street to pay a greater share of their income in tax than they would in the absence of the TCJA. It must ensure that Wall Street and other highly profitable firms cannot masquerade as mom-and-pop small businesses to lower their taxes. Reform must also ensure that large firms cannot exploit the tax code to stifle competition and shift their profits, investments, and American jobs offshore. Finally, fairness means putting more money in the pockets of low-income and middle-class people—including through expanding tax credits—and not extending tax cuts or restoring tax breaks for those making over \$400,000 per year.

**Second, any 2025 tax reform must raise more revenue than would be generated by letting all of the temporary TCJA provisions sunset, so that we can support much-needed investments in everyday**

**Americans; make good on our commitments to our seniors, families, and historically underfunded communities; and reduce our fiscal risks.**

Revenues have been repeatedly eroded by rounds of tax cuts under the [Bush](#) and Trump administrations. These cuts produced a tax code that generated just 16.5 percent of GDP in revenue in 2023, trillions of dollars lower than what would have been generated otherwise. Were it not for the Bush tax cuts and the Trump tax cuts, the national debt, as a percent of GDP, would also be on a [permanent downward trajectory today](#).

We need a tax code that generates sufficient revenue to fund our national priorities while appropriately reducing fiscal risks. The pre-TCJA tax code was expected to generate roughly 18 percent of GDP, but even that level is ultimately below what is needed to ensure adequate investments in our children, reduce poverty, address racial and gender disparities, fulfill our commitments to America's seniors, veterans, and people with disabilities—and support our continued growth and prosperity as a country. That is why the 2025 tax reform must generate substantially more revenue than simply letting all of the temporary provisions in the TCJA expire.

**Third, any 2025 tax reform effort should lead to greater, more sustainable, and more inclusive economic growth by providing more financial security and opportunities for typical Americans, narrowing racial wealth gaps by boosting economic mobility, and disincentivizing economically harmful conduct by large corporations.**

The Trump tax cuts relied on the economic argument that huge tax cuts for the rich and large corporations would trickle down to the typical American or produce a boom in economic growth. That trickle-down approach has unequivocally failed. Tax reform must reflect that America's economy grows fastest from the bottom up and middle out, and that growth should not leave anyone behind.

True pro-growth tax reform next year must support public investments, combat harmful concentrations of economic power and the racial wealth gap, reduce poverty and racial and gender disparities, and directly mitigate the economic risks of climate change and an unsustainable fiscal trajectory. This strengthens our economy and expands opportunity for all.

Under the Biden Administration, we have seen that investments in everyday people are the real key to economic growth. Policies like investing in a [robust care infrastructure](#) facilitate economic growth as more workers – and women in particular – fully participate in the labor force and care workers see increases in pay and job quality. Expanding the Child Tax Credit plays a critical role in [reducing family poverty](#), while climate investments build a more [sustainable energy system](#) that strengthens supply chains and cuts costs for families.

The tax code is one of our most powerful tools to shape the economy. For too long, it has been slanted towards the wealthy and large corporations, and the economy and our country have suffered as a result. The expiration of key provisions of the Trump tax bill in 2025 is a rare opportunity to correct the mistakes of the past, address long-standing problems with our tax code, and help produce an economy that works for all Americans.

Sincerely,

20/20 Vision  
ACA Consumer Advocacy  
Accountable.US  
Autistic Self Advocacy Network  
Affordable Homeownership Foundation Inc.  
AFL-CIO  
AFT  
American Federation of Government Employees  
American Federation of State, County and Municipal Employees (AFSCME)  
Americans for Tax Fairness  
Blue Future  
Care in Action  
Caring Across Generations  
Center for American Progress  
Center for Popular Democracy  
Center for the Study of Social Policy  
Center on Budget and Policy Priorities  
Change Machine  
Chicago Political Economy Group  
Children's Defense Fund  
CLASP  
Coalition on Human Needs  
Color Of Change  
Communications Workers of America (CWA)  
Colorado Consumer Health Initiative  
Community Catalyst  
Community Change  
Demos  
Economic Security Project Action  
Economic Policy Institute  
Equal Rights Advocates  
Fair Share America  
Fast-Track Cities Institute  
Family Values at Work  
Family Values@Work Action  
First Focus Campaign for Children  
Foster America  
Friends of the Earth  
Golden State Opportunity  
Greenpeace USA  
Groundwork Collaborative  
Health Care for America Now (HCAN)  
Health Care Voices

HedgeClippers  
In the Public Interest  
Indivisible  
Institute for Local Self-Reliance  
Institute for Policy Studies, Global Economy Project  
Institute for Women's Policy Research  
Institute on Taxation and Economic Policy  
Instituto del Desarrollo de la Juventud  
International Federation of Professional and Technical Engineers (IFPTE)  
Jewish Women International  
Joint Center for Political and Economic Studies  
Justice and Joy National Collaborative (formerly National Crittenton)  
Justice in Aging  
Latino Farmers & Ranchers International, Inc.  
Main Street Alliance  
#MEAction  
Media Voices for Children  
Missionary Oblates of Mary Immaculate  
MomsRising  
MoveOn  
National Black Justice Coalition  
National Center for Lesbian Rights  
National Center for Transgender Equality  
National Community Action Partnership  
National Consumers League  
National Disability Institute  
National Domestic Workers Alliance  
National Education Association  
National Employment Law Project  
National Federation of Federal Employees  
National Immigration Law Center  
National Organization for Women  
National Partnership for Women & Families  
National Women's Law Center  
NETWORK Lobby for Catholic Social Justice  
Oxfam America  
P Street  
Patriotic Millionaires  
People Power United  
Peoples' Action  
Poder Latinx  
PolicyLink  
Poverty Project at the Institute for Policy Studies  
Public Advocacy for Kids (PAK)

Public Citizen  
Responsible Wealth  
Roosevelt Institute  
RootsAction.org  
SAG-AFTRA  
SEIU  
Sembrando Sentido  
Small Business For America's Future  
Social Work Grand Challenge on Reducing Extreme Economic Inequality  
State Revenue Alliance  
Take on Wall Street  
The Leadership Conference on Civil and Human Rights  
The Maven Collaborative  
The National Domestic Violence Hotline  
The Restaurant Opportunities Centers United (ROC UNITED)  
Transgender Legal Defense & Education Fund (TLDEF)  
Unitarian Universalists for Social Justice  
United Auto Workers  
United Church of Christ  
United Steelworkers (USW)  
United for a Fair Economy  
Unrig Our Economy  
Voices for Progress  
Voters Rights and Protection Taskforce  
Washington Center for Equitable Growth