



COMMITTEE ON
WAYS & MEANS
REPUBLICANS

The Last Thing American Families and Small Businesses Need is Democrats' Crippling Tax Increase

Democrats claim to support communities but embrace crippling tax increases on workers and small businesses. Democrats' agenda doesn't simply go after the wealthy or mega-corporations as they claim—instead it attacks every part of our economy by...

...Sabotaging Small Business Jobs and Job Creators:

Democrats' socialist agenda sabotages America's jobs recovery with crippling tax hikes that target small businesses.

- Raises small business taxes to the highest point in a generation. ([Rice University/NAM](#))
- Halts new projects and small business growth by doubling tax on investment. ([Tax Foundation](#))
- Democrats' supercharged "second death tax" would hit farms, machine shops, and other small businesses. ([EY Study/Family Business Estate Tax Coalition](#))
- Bipartisan majorities of Americans oppose raising taxes on small business because they know it would cripple our Main Street economy. ([ATR](#))

...Returning America to Bad Old Days of Jobs and Investment Fleeing Overseas:

Democrats' socialist agenda pushes companies to countries with lower tax rates—including Communist China.

- America's highest-in-the-world business tax rates forced companies and jobs overseas. The Tax Cuts and Jobs Act put an end to that trend. ([Joint Committee on Taxation](#))
- If we had lower taxes during the decade before Republican tax reform, over 4,000 American companies would have stayed. ([Business Roundtable](#))
- Democrats' radical tax plan would turn back the clock and give us the highest business tax rates in the developed world. ([Tax Foundation](#))
- American innovation will get crushed as Democrats repeal a key provision that keeps intellectual property and associated jobs and profits in the United States. ([American Action Forum](#))
- Americans will lose jobs to Communist China if our corporate tax rate is higher than theirs. ([WSJ](#))

...Reversing Republicans' Historic Economic Record of Bigger Paychecks, More Jobs, Historically Low Unemployment:

Democrats' socialist agenda rolls back job gains achieved by historically disadvantaged groups.

- Republican tax reform led to the lowest unemployment rate in 50 years. ([Joint Economic Committee](#))
- Unemployment reached all-time lows for African American workers, Hispanic workers, and workers without a high school degree.
- American workers also enjoyed the fastest wage growth in a decade.
- Lower-wage workers won big, with 50 percent higher wage growth than high-income workers.
- Under-employment dropped nearly 30 percent to the lowest rate on record.
- Tax reform achieved the lowest poverty rate in a half century as well as shrunk income inequality for the first time in anyone's memory.

- Democrats' fear mongering that taxpayers and businesses would flee high-tax blue states after tax reform capped the state-and-local tax (SALT) deduction at \$10,000 have been proven overblown. ([Bloomberg](#))

...Prioritizing Wasteful Spending Over Hardworking Americans' Paychecks:

Democrats' socialist agenda won't produce long-term growth or greater economic security for American families.

- A majority of Americans say they "fear an impending crash following the injection of federal stimulus money during the pandemic." ([Axios](#))
- Most Americans don't support tax hikes that torpedo the budgets of families and hit small businesses with higher prices, lower wages, and fewer jobs. ([ATR](#))
- We've already seen that Democrats underestimated the cost of their socialist spending plan by over \$700 billion, while wrongly claiming their tax hikes would be able to pay for it. The total bill for hardworking Americans will be more than \$4.5 trillion. ([Wharton](#))
- Most of the pain from Democrats' radical tax hikes will be shouldered by ordinary families, with lost jobs, lower wages, fewer benefits, and higher consumer costs. ([NBER](#))
- Americans worry that Democrats' wasteful spending will bring higher prices for gasoline, food, and housing. ([Harvard Harris](#))
- While real average hourly earnings went down by 0.2% from April to May (BLS [Real Earnings Summary](#)), prices jumped 5 percent in May, the largest increase since 2008. ([Consumer Price Index](#))
- Fact checkers have called out Biden for having "offered a vastly inflated projection of how many jobs his infrastructure plan would create" and "drifted beyond the facts when dismissing the potential downsides of the tax increases needed to pay for all those roads and bridges." ([AP](#))

...Weakening Investment in Local Communities, While Strengthening

Washington Power:

Democrats' socialist agenda moves money and power to Washington, away from communities.

- Democrats' socialist tax-and-spend plan seizes control from American communities and turns it over to Nancy Pelosi and President Biden to reward their hand-picked industries and pet projects with special carveouts and loopholes. ([Report from Senate Environment and Natural Resources Committee](#))
- Democrats believe taxing and spending is the only way to support R&D. But spending on R&D as a share of real GDP has never been higher and picked up after Republican tax reform. ([Bureau of Economic Analysis](#))
- We should be expanding private investment into local infrastructure projects instead of smothering it with radical tax hikes.
- Independent studies show that Democrats' plan would reduce business investment and private infrastructure dollars by more than \$1 trillion. ([Tax Foundation](#))
- The [Congressional Budget Office](#) reports that private sector investments deliver twice the economic returns of projects directed by Washington D.C. bureaucrats. ([CBO](#))
- Democrats' radical tax hikes would also starve investment in urgent housing across the country, including low-income housing.