NATIONAL EDUCATION ASSOCIATION
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Great Public Schools for Every Student

1201 16th St., N.W. | Washington, DC 20036 | Phone: (202) 833-4000

Lily Eskelsen García
*President*

Rebecca S. Pringle
*Vice President*

Princess R. Moss
*Secretary-Treasurer*

John C. Stocks
*Executive Director*

December 18, 2017

United States Congress
Washington, DC 20510

Dear Senator/Representative:

On behalf of the three million members of the National Education Association and the 50 million students they serve, we urge you to **VOTE NO** on the Tax Cuts and Jobs Act (H.R. 1). This multi-trillion-dollar giveaway to the wealthy and corporations, paid for on the backs of working families, jeopardizes the ability of states and local communities to provide adequate funding for education and other critical public services. Votes on this bill may be included in NEA's Report Card for the 115th Congress.

Specifically, we oppose the bill because it:

- **Is a giveaway to the wealthy and corporations.** The bill permanently slashes taxes on corporations and pass-through businesses. At the same time, it lowers the top tax rate for the wealthiest individuals and *increases* taxes on some working families. It will also add $1 trillion to the nation's deficit.

- **Sets up drastic cuts in Medicaid, Medicare, and education.** The budget resolution that helped pave the way for this bill previews the next phase: calls to cut the growing deficit by slashing services that help our most vulnerable citizens, including Medicaid, Medicare, education, and more. Kansas provides a window into what this looks like. In 2012, that state's governor pushed through similarly massive tax cuts for individuals and businesses, claiming they would boost the economy. In actuality, job growth was anemic and the governor and legislature starved state services. After voters spoke at the ballot box, lawmakers reversed course, raising taxes and overriding — in a bipartisan manner — the governor's veto. Instead of rushing to rewrite the tax code, Congress would have done well to heed this lesson from America's heartland and thoroughly examine the bill's near- and long-term ramifications.

- **Potentially devastates state and local education funding.** The bill almost entirely undoes a century-long fixture of the tax code by capping the state and local tax (SALT) deduction at $10,000 for individuals and families, but not businesses. This provision is yet another example of taking from working families to provide tax giveaways to corporations. Capping the SALT deduction could have a negative, ripple effect on the ability of states and local communities to fund education and other essential public services adequately. In turn, that could translate into cuts to public schools, lost jobs, and overcrowded classrooms that deprive students of one-on-one attention. **NEA's detailed analysis** shows that capping the SALT deduction at $10,000 could put up to 133,000 education jobs at risk and reduce education funding by as much as $152 billion in the next decade.

Another deeply troubling provision of the bill eliminates Qualified Zone Academy Bonds (QZABs). For 20 years, this program has helped states and local school districts finance the renovation, repair, and modernization of thousands of schools and classrooms in every state.

- **Turns tax-advantaged 529 college savings plans into a voucher-like scheme.** The bill allows up to $10,000 per year from these accounts to be used for tuition at private K-12 schools — a poorly veiled voucher-like program that largely benefits families who can already afford private school. No matter what form or name a voucher program takes, the impact is the same: it hurts the public schools that 90 percent of our students attend.

- **Partially repeals the Affordable Care Act.** The bill repeals the law's individual mandate, which will cause millions to lose coverage and premiums to spike. According to the **most recent estimate** by the nonpartisan Congressional Budget Office and Joint Committee on Taxation, 4 million people will lose coverage by 2019 and 13 million by 2027, including many on Medicaid. Premiums are expected to rise 10 percent per year, on average.

We appreciate that the final bill *preserves* several education provisions of current law that the original House bill eliminated, to the detriment of students and educators. Those provisions include the deduction for interest on student loans, tuition waivers for graduate students, and the modest $250 tax deduction that helps the estimated 99 percent of educators who spend hundreds of dollars of their own money for classrooms supplies each year.

Tax plans reveal the priorities of a nation. In 1986, Congress undertook a yearlong, bipartisan effort to rewrite the tax code, carefully and deliberately. The current effort should have included the same measured consideration of the near- and long-term impact rewriting the tax code will have on families, communities, and public services. Instead, congressional leadership rushed the process and put together a bill that tells working families, educators, and students they must sacrifice to further enrich the wealthy and corporations. We urge you to **VOTE NO** on the Tax Cuts and Jobs Act.

Sincerely,

Marc Egan

Marc Egan
Director of Government Relations
National Education Association