



Calling Balls and Strikes on the Wyden-Smith Tax Bill

The Good — Cuts Taxes, Helps Beat Back China, and Holds The Line on SALT

- Promotes business competitiveness by cutting taxes on R&D & pro-growth investments.
- Bolsters Taiwan and helps America decouple from China by ending double taxation on businesses that operate in both the United States and Taiwan.
- Holds in check the SALT deduction (a subsidy for runaway spending at the state level).

The Bad — Increases Wasteful Spending and Coopts the Child Tax Credit

- Increases funding for the Low-Income Housing Tax Credit (LIHTC), a wasteful program that does little to encourage the construction of more affordable housing for Americans.
- Expands the federal government's role in disaster relief.
- Transforms the Child Tax Credit (CTC) into yet another welfare program.
 - The Tax Cuts and Jobs Act capped the credit at income and payroll tax liability.
 - Wyden-Smith increases the so-called 'tax credit' beyond tax liability for families with multiple children and extends the credit to families for a full year of no work.

The Ugly — Anchor Baby Bonuses, a Fake Pay-For, and a Colossal Budget Fight in 2025

- Fails to address the loophole in the CTC allowing illegal immigrants to claim the credit.
- Uses gimmicks like astronomical fraud penalties and the early termination of the Employee Retention Tax Credit's already paused claims process as a 'pay-for.'
- Further piles on to the list of individual and business tax provisions set to expire in 2025 (scoring nearly four trillion dollars to make permanent).

Further Reading:

- [“U.S. Must Pursue Free Trade with Free Nations”](#) (Advancing American Freedom)
- [“AAF Chairman Marc Short on Doubling of SALT”](#) (Advancing American Freedom)
- [“Congressional Republicans Roll Back Work Requirements in Compromise Bill”](#) (AEI)
- [“Low-Income Housing Tax Credit: Costly, Complex, and Corruption-Prone”](#) (Cato)
- [“Restoring Responsible Government by Cutting Federal Aid to the States”](#) (Cato)
- [“Illegal Immigrants Get \\$10.5 Billion from CTC”](#) (Center for Immigration Studies)
- [“The Federal Tax Treatment of Research & Development Expenses”](#) (Tax Foundation)
- [“Details and Analysis of Making the 2017 Tax Reforms Permanent”](#) (Tax Foundation)
- [“How Lawmakers Want to Pay for \\$78 Billion Tax Bill”](#) (Washington Examiner)

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