



THE COMMITTEE ON

WAYS & MEANS

# PROTECTING MIDDLE CLASS AND SMALL BUSINESS TAX CUTS

## TAX REFORM 2.0

The *Tax Cuts and Jobs Act* **has changed the trajectory of the economy for the better** — creating more jobs, bigger paychecks, increased investment, and historic Main Street optimism, and enhancing the economic security of American families.

Tax Reform 2.0 is about locking in tax cuts for middle-class families and small businesses, and changing the culture in Washington so we continuously improve our tax code and never again let America fall behind our global competitors.

Today, we have one of the most competitive tax codes on the planet — let's keep it that way.

## Locking in the Individual and Small Business Tax Cuts is Pro-Growth

Tax Reform 2.0 will provide **certainty for our families, workers, and Main Street** small businesses. That will unleash even more economic growth in America for the long run.

The non-partisan Tax Foundation's analysis shows that making the middle-class and small business tax cuts permanent will:

- **Create** 1.5 million new jobs
- **Increase wages** by 0.9%
- **Increase GDP** by 2.2%

## Tax Reform 2.0 Supports American Families Throughout Their Lives

House Republicans are making sure **family-friendly policies from the Tax Cuts and Jobs Act are available to families for generations to come** by making these provisions permanent.

Family-friendly provisions that will be locked in with Tax Reform 2.0 include:

- Lower tax rates
- A doubled Child Tax Credit that is available to many more families
- Establishing the first ever Paid Family Leave Tax Credit
- Elimination of the Alternative Minimum Tax for nearly 96 percent of those who paid it last year
- Doubled exemption from the Death Tax

In addition, **families will save time, money, and a whole lot of stress due to a simpler, postcard style filing system.** Tax Foundation estimates that the reduction in the time it takes to file a return will translate into a \$3.1 to \$5.4 billion reduction in compliance costs for workers and families.

## Tax Reform 2.0 Supports Main Street Small Businesses

The *Tax Cuts and Jobs Act* delivered significant tax relief to Main Street job creators by offering a **first-ever 20 percent deduction for pass-through business income.**

As a result, **Main Street optimism is at all-time highs** and small business owners are reporting record increases in profits, wages, employment, and plans to expand.

Tax Reform 2.0 will lock in this incredibly important provision so that our **small businesses can continue to hire, invest, and grow in their communities.**