



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

November 30, 2017
(Senate)

STATEMENT OF ADMINISTRATION POLICY

Senate Amendment to H.R. 1 – Tax Cuts and Jobs Act

The Administration strongly supports Senate passage of the Senate Amendment to H.R. 1, the Tax Cuts and Jobs Act. This bill achieves the President’s goals of: (1) cutting taxes for middle-income families; (2) simplifying the tax code; and (3) reducing business taxes so that American employers can create jobs, raise wages for their workers, better compete with foreign businesses, and bring back money that is currently held offshore.

The Senate Amendment to H.R. 1 would simplify tax filing for the large majority of Americans and deliver meaningful tax cuts for middle-income families by nearly doubling the standard deduction, lowering tax rates, and increasing the child tax credit. The bill would cut the corporate tax rate to 20 percent—below the average tax rate in other countries in the Organisation for Economic Co-operation and Development—and reduce taxes for millions of S corporations, sole proprietors, and partnerships that pay taxes at individual rates.

The White House Council of Economic Advisors estimates that the corporate provisions in the Senate Amendment to H.R. 1 would add between 3 and 5 percent to the Real Gross Domestic Product, resulting in additional revenue and higher wages.

The Administration also supports the bill’s provision to repeal the Affordable Care Act’s individual mandate, which is a tax that falls disproportionately on lower and middle-income households that either can’t afford to purchase health insurance or choose not to for other reasons. Not only is the mandate an unprecedented attack on individual liberty, but it has failed to increase enrollment as initially anticipated. Nearly 80 percent of households that paid the mandate in 2016 had annual incomes of less than \$50,000.

Finally, the Administration is also pleased to support the authorization of environmentally responsible energy development in the “1002 Area,” or Coastal Plain, of the Arctic National Wildlife Refuge in Alaska. This policy would increase America’s energy security and independence, create jobs, and provide affordable, reliable energy for consumers.

If the Senate Amendment to H.R. 1 were presented to the President, his advisors would recommend that he sign the bill into law.

* * * * *