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**Wyden Statement at Finance Committee Hearing to Examine the President's Budget with
Treasury Secretary Jack Lew
*As Prepared for Delivery***

Thank you, Mr. Chairman, and thank you, Secretary Lew, for appearing before the Finance Committee to outline President Obama's budget proposal one final time. Here's where I'd like to begin today. There are, in America right now, two different tax systems. The one most people deal with is mandatory – their taxes come directly out of the paycheck. Then there's another system for the well-connected, and under that system, you pay what you want, when you want to.

The fact is that most Americans – people who earn a few checks a month, and who may have a mortgage and a few kids – those taxpayers interact with a very small portion of the tax code.

But there are far too many shadowy, cobweb-filled corners of the code that typical Americans never have to venture into. Those corners are loaded with byzantine rules that accountants and lawyers from white-shoe firms can use to pry open loopholes.

As a result of all this complexity, you have increasingly slippery definitions of capital gains and income, and an array of tax-dodging strategies with names like wash sales and swap contracts. It is a mind numbing system. And it's no wonder why somebody who works the line at a factory or has a gig at a mom and pop business would believe the tax code is stacked against them.

Now, I don't think anybody would bet on there being a complete rewrite of the tax code this year that addresses this fundamental unfairness or the many other ways our tax code is broken. But I see a big opportunity for Democrats and Republicans in Congress, the Treasury Department, and the IRS to work together now. And that's by cracking down on the tax avoidance schemes that result in the corporate tax gap.

I'm going to have a lot more to say about this later this afternoon when Commissioner Koskinen comes before the committee. But the short story is that two-thirds of a trillion dollars owed in corporate taxes goes unpaid every decade, and in my view, policymakers ought to be doing a lot more to figure out why and how to fix it. I see this as an opportunity to free up some dollars to take on the big economic challenges of this era, many of which are reflected in proposals in the President's budget.

For example, the auto-IRA proposal will help a lot of workers start saving for the first time. The second-earner tax credit will help a lot of families who are walking an economic tightrope every day. The community college partnership tax credit will help students who are looking for that first high-wage, high-skill job coming out of school. Investments in early education and children's health will help guarantee that kids start life with security and opportunity. And there are many other smart proposals that will be a big help to millions of families in Oregon and across the country. I'm looking forward to working on a bipartisan basis with my colleagues in Congress to pursue those issues.

Mr. Secretary, thank you again for being here today. And thank you again, Mr. Chairman -- particularly for scheduling three hearings this week for the Finance Committee to come together on a bipartisan basis to examine the President's budget proposal. In my view, we have both a responsibility and a practical need to communicate with the administration as effectively as possible -- no matter which party controls the White House. This practice informs the debates that come over the course of the year on Capitol Hill. It is disappointing that some other committees this year are not exercising this same responsibility. I hope that does not become a precedent.

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