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Wyden Statement at Finance Committee Hearing on Early Impressions of the New Tax Law
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The new Republican tax law is shaping up to be one of history's most expensive broken promises, right up there with "we will be greeted as liberators." The ink on the new tax law is barely dry, but already there are calls for a second round of tax cuts.

Colleagues, in my view, lawmakers ought to think twice about big new promises if they can't deliver on the ones they've already made.

Let's take stock of the early returns on the new tax law. Maybe the biggest selling point of the tax law was a promise from the administration that workers would get, on average, a \$4,000 wage increase. But the reality is, the new law has done so little for people who work hard to earn a wage and cover the bills -- the overwhelming majority of individual taxpayers -- it's barely registered with them at all. If the law was delivering huge benefits to working families, you'd never hear the end of it on the airwaves. And when you're talking about legislation that's going to cost nearly \$2 trillion when it's all said and done, it's not easy to fail at your stated goals this spectacularly.

So it's not exactly surprising that the law isn't ginning up a whole lot of excitement among working families. But it hasn't gone unnoticed by everybody. Just yesterday, the nonpartisan scorekeepers at the JCT released a new analysis of the passthrough tax break. For those who don't spend their days pouring over the finer points of the tax debate, this part of the law was supposedly all about small businesses. In fact, the way some people talked about it, you'd think it only applied to corner store owners whose names were literally Mom and Pop. Well, according to the new JCT figures, nearly half of the benefit of the new passthrough rate is going to taxpayers with incomes of \$1 million or more. That's not the kind of garages and diners and community pharmacies the phrase "small business" brings to mind for most people. Once again, it's the fortunate few reaping the benefits.

New data out late last week also showed that in just the first three months of this year, the biggest Wall Street banks pocketed \$3.6 billion as a result of the new tax law. More than a billion dollars going to the banks each month, but millions of families are looking around and wondering when they're going to see those raises they were promised.

Finally, a few weeks ago, this committee held our annual hearing at tax filing season. There was a lot of discussion about what the new tax law means for small businesses, which is a topic we'll focus on again today. I understand one of our witnesses here today will testify to one of the challenges a whole lot of small businesses are facing -- they owe estimated tax payments, but they are in the dark about what they're going to owe this year under the new rules. In our witnesses' case, I'm told there was some

back-of-the-envelope math to figure it out. What I hear at home is that there are a whole lot of businesses that can't even make an estimate of their estimated payments. For them, those new rules pertaining to passthrough status are the definition of complexity.

So folks, let's get real about what this means. The facts do not resemble the promises when it comes to this tax law.

Bottom line, for most Americans, particularly hard-working people who don't have accountants and lawyers scouring the tax code for ways to exploit loopholes, the new tax law has turned out to be an awfully expensive dud. The big promises they heard about big raises and a new era of simpler tax rules has not come to pass.

So in my view, lawmakers ought to keep their promises when it comes to tax cuts before rushing ahead with a second bill.

I want to close on one last point. The tax debate did not have to end this way. I've written two bipartisan, comprehensive tax reform bills. Before this process turned into a one-sided exercise, I know there was bipartisan interest on this committee in fixing our tax code in a way that brought the two sides together. Unfortunately that's not how it played out. I hope that in the future, this committee is able to approach these big economic debates in a bipartisan way.

Thank you to our witnesses for being here today. I look forward to asking questions.

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