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United States Senate

COMMITTEE ON FINANCE
WASHINGTON, DC 20510-6200

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December 5, 2017

The Honorable Eric M. Thorson
Inspector General
U.S. Department of Treasury
Office of Inspector General
1500 Pennsylvania Avenue, N.W.
Room 4436
Washington, DC 20220

Dear Inspector General Thorson:

I am writing in response to reports that you plan to investigate whether political considerations interfered with the release of a Treasury Department economic analysis of the Republican tax plan.

In pitching the proposal, Secretary Mnuchin promised that Treasury will release its analysis of the proposal.¹ In fact, he stated over 100 people in the Treasury tax group were “working around the clock running scenarios” to evaluate the revenue impact of the tax proposal.² Secretary Mnuchin also noted in late September that “not only will this tax plan pay for itself, but it will pay down debt.”³ Such an analysis would have been of great interest, since Secretary Mnuchin’s assertions about the impact of the tax bill contradict those of many experts. However, no analysis supporting this assertion was ever produced.

This controversy comes on the heels of the Treasury Department’s removal of an Office of Tax Analysis economic paper which contradicted another assertion by Secretary Mnuchin.⁴ In September, Secretary Mnuchin stated that “most economists believe that over 70 percent of

¹ Alan Rappeport, “Ahead of Vote, Promised Treasury Analysis of Tax Bill Proves Elusive,” *New York Times* (Nov. 30, 2017) (online at <https://www.nytimes.com/2017/11/30/us/politics/treasury-analysis-taxbill>).

² CNBC Transcript: U.S. Treasury Secretary Steve Mnuchin Sits Down with CNBC’s Becky Quick on “Squawk Box” Today (Feb. 23, 2017) (online at <https://www.cnbc.com/2017/02/23/first-on-cnbc-cnbc-transcript-us-treasury-secretary-steve-mnuchin-sits-down-with-cnbc-becky-quick-on-squawk-box-today.html>)

³ Kate Davidson, “Treasury Secretary Steven Mnuchin: GOP Tax Plan Would More Than Offset Its Cost,” *Wall Street Journal* (Sept. 28, 2017) (online at <https://www.wsj.com/articles/treasury-secretary-steven-mnuchin-gop-taxplan-would-more-than-offset-its-cost-1506626980>).

⁴ Richard Rubin, “Treasury Removes Paper at Odds With Mnuchin’s Take on Corporate Tax-Cut’s Winners,” *Wall Street Journal* (Sept. 28, 2017) (online at <https://www.wsj.com/articles/treasury-removes-paper-at-odds-with-mnuchins-take-on-corporate-tax-cuts-winners-1506638463>).

corporate taxes are paid for by the workers.”⁵ However, the May 2012 paper, Office of Tax Analysis Technical Paper 5, from the Treasury Office of Tax Analysis strongly disputed that conclusion, finding that workers pay 18% of the corporate tax while owners of capital pay 82%. This paper was recently removed from the Treasury Department’s website.⁶

I am concerned about the possibility that the Treasury Department is burying critical research an effort to mislead the public. I request that in addition to your review of potential political interference with Treasury Department analysis of the Republican tax plan, you reevaluate the removal of the May 2012 technical paper and determine whether there is a larger pattern of political interference with nonpartisan Treasury analysis.

Thank you for your attention to these matters.

Sincerely,



Ron Wyden
Ranking Minority Member

⁵ Fox News Transcript: Sec. Mnuchin Talks Cutting off North Korea Economically (Sept. 03, 2017) (online at <http://www.foxnews.com/transcript/2017/09/03/sec-mnuchin-talks-cutting-off-north-korea-economically.html>)

⁶ <https://www.wsj.com/public/resources/documents/May2012corptaxpaper.pdf>