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**Wyden Statement at Finance Hearing on Achieving Economic Growth Through Tax Reform**  
*As Prepared for Delivery*

Just two weeks ago, the Finance Committee heard from two former Senators – a Republican and a Democrat, both architects of the 1986 Tax Reform Act – about an approach to tax reform that worked. It turned the impossible into the possible. It was modern, it was targeted, and it found smart ways to spark economic growth.

Their approach gave equal tax treatment to wages and wealth, which is crucial for middle-class fairness. It preserved and expanded important policies that rewarded hard work, helped families buy homes, and made it easier to afford college. And they avoided partisan processes like budget reconciliation that put the outcome at risk.

Everybody here has been a part of umpteen academic conversations about tax reform. Two weeks ago, this committee heard about an approach that works. In my view, it makes sense to build on that bipartisan wisdom. So let's take on the challenge of developing a new, modern plan that fits today's economy.

There is a long list of examples of where our broken tax system needs fixing. One that comes up in nearly every Oregon town meeting I have is the skyrocketing cost of childcare. For a long time, people have looked at home mortgages, college tuition, and retirement savings as the big-ticket expenses for most families. Parents today know that list is incomplete without childcare.

But the programs in the tax code intended to make childcare more affordable haven't kept up. Too often, their benefits don't cut it. A lot of families get no help at all. For many others, it's only a meager level of assistance. So a lot of parents are having to make a difficult choice. Do they both continue working and take on the huge expense of childcare? Or will one of them have to sacrifice their career to stay home? That's a barrier to work that tax reform should demolish.

Just like in 1986, it's time again to give fair tax treatment to wages and wealth. The code punishes middle-class wage-earners by taxing their income at a higher rate than investments. Leveling the playing field is a matter of basic fairness. We heard two weeks ago that policymakers recognized that fact in '86, so they should recognize it again today.

The tax code also needs to encourage more investment in the U.S. It should do more to drive innovation, support manufacturing, and draw high-skill, high-wage jobs to our shores. Today's broken code puts the U.S. at a competitive disadvantage in the world, and that needs to change.

There's another important lesson from '86 to remember. It would be a costly mistake for tax reform to heap a heavier burden on America's middle class. That's a surefire way to slow down growth and set middle-class families back. A lot of families who struggle to make ends meet find help through the tax code. So let's not make life harder for them. It makes a lot more sense to take the proven, modern approach to tax reform that gives everybody a chance to get ahead.

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