

Crapo Statement on H.R. 7024

August 1, 2024

As prepared for delivery:

“With election politics front of mind, doomed-to-fail ‘show votes’ have become an all too frequent occurrence in this chamber.

“But there is no more obvious ‘show vote’ than the one scheduled to happen today, immediately before August recess.

“In today’s attempt to score political points, the Democrats are moving to a bill, H.R. 7024, that has been languishing for six months in the hopes of fabricating a narrative that Republicans don’t support small businesses, children or alleviating poverty.

“However, if my Democrat colleagues were serious about delivering relief to small businesses and working families, they would have worked out a solution with Senate Republicans in earnest on a pathway that would gain broad support among our members.

“While there are plenty of provisions in the bill that my colleagues and I support, the proponents have known since before it was released that Senate Republicans would need changes to the bill in order to gain substantial bipartisan support.

“It is now August, and it has been months since any real attempt at outreach or engagement has taken place, which suggests my colleagues are not actually serious about passing a bill but are instead focused on election year messaging.

“There is plenty of evidence that today’s theatrics are clearly posturing:

“First, there are several components of the bill that are non-controversial and have overwhelming bipartisan support, like disaster tax relief and double tax relief provisions on activity between the United States and Taiwan.

“That some Democrats have chosen to block these bills—including providing needed tax relief to fire and hurricane victims—to prove a point demonstrates true cynicism.

“In the same vein, Democrats claim that Republicans are abandoning small businesses by not passing this bill, but it is Democrats who have held R&D expensing hostage for years.

“Republicans have shown time and again their desire to pass R&D expensing, including in an overwhelmingly bipartisan 90 to 5 motion led by Senator Young back in 2022, yet Democrats continue to block efforts to pass it.

“If Democrats were serious about helping small businesses, they would stop using them as a political football.

“Members are also well aware of the recent data on fraud in the Employee Retention Tax Credit, or ERTC, program.

“Senator Tillis requested unanimous consent to pass a bill that would end the fraud-ridden program back in February, but the bill was blocked by Democrats.

“If someone is to blame for not ending ERTC fraud, it is not Senate Republicans.

“Democrats knew the bill couldn’t pass the Senate in time for this tax filing season, but now they want to make changes long after taxpayers have filed their 2023 tax returns and received refunds.

“This bill would require the IRS to reprocess millions of 2023 taxpayer returns.

“This is an IRS that still has backlogs in the millions, including identity theft case delays that the National Taxpayer Advocate has described as making ‘a mockery of the right to quality service in the Taxpayer Bill of Rights.’

“If Democrats were serious about providing taxpayer relief, they would not pile additional work on an IRS that still cannot carry out basic taxpayer services.

“For all my Democrat colleagues’ past calls for regular order in the Senate, one would think Senate Republican requests for a Finance Committee markup on this bill would have been well received. Instead, those requests, which began in January, have continued to go ignored.

“Instead of moving through regular order and engaging my colleagues and me, the bill’s proponents have used the better part of this year on a public pressure campaign littered with misinformation.

“That is unfortunate, because the bill does get a lot of things right.

“However, the critical flaw with the bill is that it fails to provide meaningful tax relief to working families, and instead goes too far toward Democrats’ goal of turning the child tax credit into a subsidy untethered to work, which is fundamentally contrary to what the credit was created to do.

“For those who accuse Republicans of not caring about children, I would remind my colleagues that it was Republicans who created the child tax credit.

“It was intended to provide tax relief to working families.

“Yet more than \$30 billion of the cost to expand the child tax credit in this bill—about 91 percent—would go to individuals who pay no federal income tax.

“That isn’t tax relief—it’s a subsidy.

“And the bill’s child tax credit provisions treat working-family taxpayers as an afterthought.

“Not only do families with a federal income tax liability receive a mere nine percent of the bill’s child tax credit benefits, they also would be left waiting for that tax relief until two tax years after benefits accrue to those with zero income tax liability.

“I have raised these concerns repeatedly since before the bill was released.

“Unfortunately, by merely questioning the ratio skewed toward subsidies and asking whether working families should receive more tax relief, I and other Senate Republicans have been maligned for not caring about children or alleviating poverty.

“While Senate Republicans have also been accused of playing politics, the timing of today’s vote—coupled with the lack of meaningful engagement since January to reach a compromise—confirms that the strategy was always a take-it-or-leave-it proposition in the Senate.

“If my Democrat colleagues want to show that they are serious about supporting small businesses, providing disaster tax relief, alleviating double taxation on activity between the U.S. and Taiwan, and eliminating fraud in the ERTC program—all bipartisan—then I call on them to separately pass:

- Senator Young and Senator Hassan’s bipartisan American Innovation and Jobs Act that would reinstate R&D expensing;
- The bipartisan Federal Disaster Tax Relief Act of 2024;
- The bipartisan and bicameral U.S.-Taiwan Expedited Double Tax Relief Act; and
- Senator Tillis’ bill to end the ERTC program.

“On the child tax credit, it bears repeating that Republicans doubled the credit amount from \$1,000 to \$2,000 in the Tax Cuts and Jobs Act and provided additional help to low-income families by lowering the phase-in floor and increasing the refundability of the credit.

“That doubled child tax credit is still law—it has not expired and is in full force and effect.

“If Democrats are serious about helping these working families, I am ready to push for an extension of those changes beyond 2025.

“I have maintained a willingness to negotiate a bill that provides meaningful tax relief to Americans now—a bill that a majority of Republicans in this chamber can support—but today’s senseless show vote further demonstrates that Democrats are not serious about doing so.

“For that reason, I will be voting no on cloture and urge my colleagues to do the same.”