December 7, 2017

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
230 United States Capitol
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker, U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

Dear Majority Leader McConnell, House Speaker Paul Ryan, and tax conferee members,

Again, Club for Growth wants to congratulate the House and the Senate for passing their versions of the “Tax Cuts and Jobs” legislation. Both bills contain historic pro-growth tax cuts that must be brought to final passage and signed into law to create economic growth and prosperity for all Americans.

As conference discussions begin, Club for Growth wants to ensure that the most significant pro-growth provisions in the House and Senate legislation are preserved and not lost in an effort to appease special interests pleading to retain their particular tax benefit. In other words, we want to make sure that what comes out of the conference committee is more pro-growth and not less than what went into it.

Club for Growth urges the conferees not to increase any marginal tax rates.

1. **Stand firm and keep the corporate rate at 20 percent.**
   - We believe lowering the corporate rate to 20 percent is among the most pro-growth components in both versions of the legislation. As the Tax Foundation has found, cutting the corporate rate from 35 percent to 20 percent will increase our nation’s GDP by 3.1 percent in the long run. It will also increase the size of the U.S. economy by nearly 4 percent and result in 3 percent higher wages for American workers.
   - Furthermore, as the Council of Economic Advisors has estimated, middle-income families will also see higher household income – a minimum of $4,000 – as a result of the business tax cut.

2. **Adopt at least the Senate’s top individual marginal tax rate and reject the House’s proposal. Further reductions in the top individual rate would create even more economic growth.**
   - Lowering this rate benefits all Americans by spurring more investment and thereby creates economic growth and jobs throughout our country. The Tax Foundation has found that lowering income tax rates by 10 percent - a similar reform to the Senate proposed rates - would further boost the economy by 1 percent. Additional reductions in income tax rates would provide even greater benefits to all Americans.

3. **Include the Senate’s repeal of the individual mandate.**
   - This provision will allow over $300 billion in additional tax cuts, making the overall bill even more pro-growth. This should not be a point of contention. The Senate included the repeal of the Obamacare mandate in their version, and the House has repeatedly voted to repeal it in previous years.
Conference meetings inevitably require tradeoffs to rectify the differences between the legislative texts. In making those tradeoffs, Club for Growth strongly urges conferees to stand strong and fight for the most pro-growth policies that benefit all Americans and not diminish them by giving in to class warfare or social engineering arguments.

Sincerely,

David McIntosh
President
Club for Growth

CC: Senators Hatch, Murkowski, Enzi, Cornyn, Thune, Portman, Scott, Toomey. Representatives Kevin Brady, Nunez, Roskam, Black, Noem, Bishop, Young (AK), Walden, Shimkus.