

Congress of the United States
Washington, DC 20515

July 2, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

Thank you for your leadership as we work together to deliver more assistance to struggling families across the country. In addition to presenting immediate hardships, the COVID-19 pandemic has laid bare and magnified the economic inequality that existed long before the crisis. As we consider additional relief, we urge you to reject corporate tax breaks that would widen the income gap and reward wealthy shareholders instead of workers.

The Congressional Budget Office (CBO) [found recently](#) that aid to state and local governments and increased Medicare spending are far more effective at stimulating the economy than more business tax breaks. Mark Zandi, the chief economist for Moody's Analytics [similarly found](#) that such tax breaks cost many times more than the economic activity they generate.

While small businesses and laid-off workers are struggling, the stock market is soaring, ensuring that large corporations continue to have access to capital. Those that require additional liquidity can seek assistance from the \$500 billion Federal Reserve fund, which remains largely untouched. In addition, the 2017 Trump tax law already provided an enormous corporate windfall, and additional changes to tax policy have accrued favorably to corporate tax liability. While low-income workers anxiously awaited \$1,200 stimulus checks, one of the tax breaks included in the CARES Act delivered an average of \$1.6 million to just [43,000 taxpayers](#) earning more than a million dollars in annual income.

Despite such generous handouts, large corporations are seeking a second helping. While Republicans continue to stand in the way of expanding refundable tax credits for working families like the Earned Income Tax Credit and Child Tax Credit, they stand ready to award refundable tax credits to large corporations. Part of why large businesses seek refundability or what they call monetizing their tax credits is because so many corporations have little or no tax liability following the historic deficit-financed giveaways they received under the Trump tax law.

In addition to pushing corporate handouts in the form of tax credits, President Trump's economic advisor Larry Kudlow proposed slashing the already record-low corporate tax rate in half for

companies that bring jobs home. Unfortunately, the Trump tax law already allows companies to pay half the U.S. rate on offshore investments and in some cases even zero. No tax break, however well targeted can beat the zero rate current loopholes already allow. Multinationals with armies of tax lawyers would be able to game such provisions to reap further windfalls.

We urge you to oppose such corporate tax breaks, which have little to do with pandemic relief and much to do with temporarily boosting the stock market and benefiting the wealthiest among us. Whether in the form of tax breaks, loans, or other federal support, any assistance to corporations must at the very least come with adequate guardrails to ensure workers benefit instead of executives and shareholders. However, our focus must be on advancing more efficient relief measures that put assistance directly into the hands of the families that need it most.

Sincerely,

Lloyd Doggett Member of Congress	Sherrod Brown U.S. Senator	Rosa L. DeLauro Member of Congress	Sheldon Whitehouse U.S. Senator	Steven Cohen Member of Congress
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	Jesús G. “Chuy” García Member of Congress		Tammy Baldwin United States Senator	
	Eleanor Holmes Norton Member of Congress		Jeffrey A. Merkley United States Senator	
	Peter DeFazio Member of Congress		Elizabeth Warren United States Senator	
	Chellie Pingree Member of Congress		Cory A. Booker United States Senator	
	Mark DeSaulnier Member of Congress		Chris Van Hollen United States Senator	

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Member of Congress

Richard Blumenthal
United States Senator

Paul D. Tonko
Member of Congress

Kamala D. Harris
United States Senator

Barbara Lee
Member of Congress

Bernard Sanders
United States Senator

Mark Pocan
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Member of Congress

Jack Reed
United States Senator

Bennie G. Thompson
Member of Congress

Robert P. Casey, Jr.
United States Senator

Mary Gay Scanlon
Member of Congress

Amy Klobuchar
United States Senator

Ilhan Omar
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