

United States Senate

July 16, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Crapo:

Nevadans are facing rising costs across the board, from the high price of groceries, gas, and child care to surging rents, mortgages, and utility bills. These rising costs place a strain on household budgets, forcing families to make impossible choices. While I have been working hard to advance policies that will lower costs, far more needs to be done to support Nevada families. As the Senate Finance Committee prepares for next year's expiration of a large portion of the Tax Cuts and Jobs Act of 2017 (TCJA), I urge the Committee to prioritize reforms that lower costs for hardworking families, deliver middle-class tax relief, help small businesses grow and thrive, support our veterans, and ensure that massive corporations and the ultra-wealthy are paying their fair share. Our country cannot afford another tax package that provides more handouts for billionaires and corporate special interests at the expense of regular Nevadans.

For the many teachers, nurses, hospitality workers, law enforcement officers, first responders, and other hardworking Nevadans who call Nevada home and are struggling with the rising cost of living, they deserve lower costs and meaningful tax relief. Congress should advance tax policies that will put more money in their pockets and give them some much-needed breathing room. Forthcoming tax reform legislation provides an opportunity to do just that.

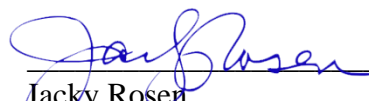
For these reasons, I urge the Committee to prioritize the following proposals when considering the extension of Tax Cuts and Jobs Act (TCJA) provisions:

- **Support a broad-based middle-class tax cut to provide more economic relief to working families who need it most.** At a time when middle-class and working families across the country are being squeezed by high costs, they deserve a tax code that is fair and works for them. We must enact a tax plan that will grow the middle-class, boost our economy, and give working families financial stability they can count on.
- **Expand and enhance the Child Tax Credit by, at a minimum, enabling more families to take full advantage of the credit and improving access for lower-income families.** The Child Tax Credit offers an economic lifeline to millions of families who are struggling to make ends meet and is proven to significantly reduce child poverty. Expanding access to the credit will enable more families to afford high-quality child care, healthy food, school supplies, and other costs hitting families' budgets.

- **Provide tax relief to the tipped workers who keep our economy running by eliminating federal income tax on tips.** Nevada is home to the highest concentration of tipped workers in the country¹, who serve as the economic engine of the state and support Nevada’s vital travel, tourism, and hospitality industry. It is critical that we give back to these workers who contribute so much to our communities and ensure they get the tax relief they deserve. Providing all taxpayers a full above-the-line deduction for any tips they receive will help support our workforce at a time when they need it most. In the interim, the Committee must push the Internal Revenue Service to ensure the tip allocation rate is fair and works for tipped workers in Nevada.
- **Enhance the Low-Income Housing Tax Credit, including by increasing the credit allocation and lowering the bond financing threshold, and create a tax credit for first-time homebuyers.** The Low-Income Housing Tax Credit (LIHTC) is our nation’s primary tool for financing affordable rental housing, which we need in order to confront this housing crisis. Expanding LIHTC will enable states to allocate more credits for affordable housing projects and allow more developers to access the program, increasing the supply of affordable houses for working families in Nevada and across the country.
- **Restore flexibility for small businesses, including by resuming immediate research and development expensing.** Small businesses are the backbone of Nevada’s economy – creating job opportunities, driving innovation, and bolstering local communities. As small businesses navigate our current high cost environment, cutting red tape will enable them to compete on a global scale and invest in America’s workers.
- **Empower our nation’s veterans as they transition back to civilian life.** The expiration of much of the TCJA provides an opportunity for Congress to ensure the tax code invests in America’s veterans and provides opportunities for them to get good-paying jobs, start small businesses, and make full use of any benefits they have earned.
- **Ensure massive corporations and the ultra-wealthy are paying their fair share.** For too long, tax loopholes have allowed the nation’s wealthiest individuals and billion-dollar corporations to get away with paying less than their fair share. We must bring the tax code back into balance, including by returning to the pre-TCJA estate tax exemption threshold.

As you prepare for next year’s Tax Cuts and Jobs Act (TCJA) expirations, I urge the Committee to remain committed to building an economy that levels the playing field and lowers costs for working families and small businesses.

Sincerely,


 Jacky Rosen
 United States Senator

¹ <https://apnews.com/article/trump-tips-taxes-nevada-0fc5fa0fb7bdcf963757c748c01bfbe9>