Legislative Alert: Reconciliation Bill pursuant to the Ryan Budget (H. Con. Res. 112)

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AFL-CIO
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Abstract
[Excerpt] On behalf of the AFL-CIO, I urge you to oppose the reconciliation bill that will be considered by the Ways and Means Committee pursuant to the House-passed Ryan budget (H.Con.Res. 112). The bill would undermine the financial security of millions of working families by imposing substantial tax penalties on people benefitting from health care premium subsidies, denying the Child Tax Credit to millions of families, and eliminating the Social Services Block Grant (SSBG). You should reject this legislation because it demands sacrifice from families of modest means while refusing to ask the wealthy to pay their fair share.

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Comments

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April 17, 2012

The Honorable David Lee Camp, Chairman
Ways and Means Committee Office
1102 Longworth House Office Building
Washington D.C. 20515

The Honorable Sander M. Levin, Ranking Minority Member
Ways and Means Committee Office
1139E Longworth House Office Building
Washington D.C. 20515

Dear Chairman Camp and Ranking Minority Member Levin:

On behalf of the AFL-CIO, I urge you to oppose the reconciliation bill that will be considered by the Ways and Means Committee pursuant to the House-passed Ryan budget (H.Con.Res. 112). The bill would undermine the financial security of millions of working families by imposing substantial tax penalties on people benefitting from health care premium subsidies, denying the Child Tax Credit to millions of families, and eliminating the Social Services Block Grant (SSBG). You should reject this legislation because it demands sacrifice from families of modest means while refusing to ask the wealthy to pay their fair share.

By increasing tax penalties on people receiving health premium subsidies under the Affordable Care Act (ACA), the bill would cause hundreds of thousands of individuals to forgo this assistance, and, as a result, the number of uninsured Americans would increase significantly. Currently, the ACA protects people receiving this premium assistance – all with incomes between 100 to 400 percent of the federal poverty level – by capping the amount to be repaid if household income improves. The Joint Committee on Taxation has estimated that this proposal to eliminate repayment limits will capture $43.9 billion from households with modest incomes, and it should be opposed.

The legislation would also block 3.5 million American children from benefitting from the Child Tax Credit. This tax credit is one of the most effective anti-poverty programs in the country, and every dollar it provides to low-income families stimulates $1.38 in economic growth. The proposal to limit the Child Tax Credit would prohibit tax filers using an Individual Taxpayer Identification Number (ITIN) from applying for it. The average family affected by this change would lose $1,800 from an annual income of about $21,000. This policy would create financial distress for the families of millions of the nation’s most vulnerable children, and it too should be rejected.
In addition, the reconciliation legislation targets the SSBG for elimination in an effort to reduce the federal deficit. The SSBG program provides $1.7 billion annually to the states for social services, providing critical assistance as the recession stretches state budgets. Child welfare services, foster care, child abuse prevention, protection services, adoption, residential services, case management, and independent and transitional living programs are all at risk. In light of the service cuts already imposed in states around the country, it would be especially harmful to reduce or eliminate SSBG funding at this time.

The reconciliation legislation you consider today will devastate families of modest means in the name of deficit reduction, while requiring little or no sacrifice from the rich. We urge you to oppose it.

Sincerely,

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT