Opinion
Analysis



Demonstrators protest against the tax bill outside the office of Rep. Dana Rohrabacher, R-California, Dec. 5 on Capitol Hill in Washington. The U.S. Conference of Catholic Bishops added its voice to numerous public policy debates throughout 2017 as Congress and the White House offered new plans to govern the nation. (CNS/Reuters/Aaron P. Bernstein)

by Dennis Coday

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dcoday@ncronline.org
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As Republicans in Congress scramble to reconcile the House and Senate versions of their tax reform plan — and try to correct mistakes in the bill before it becomes law — Catholic advocates are marshaling their forces to influence the legislation and fix the most egregious errors.

"Tax policy shows what we prioritize and value," said John Gehring, Catholic program director at Faith in Public Life, an interfaith strategy center. "People of faith have to keep resisting this immoral hand-out to the wealthiest few. Catholics should be calling their representative, rallying and showing up at vigils. Moral movements can often turn back what appears to be inevitable."

News reports out of Washington on Tuesday (Dec. 12) said Republican leaders were inching nearer a unified plan with the aim of passing a final bill as early as next week.

"Republican leaders want to complete a consensus bill within the next few days, and release its text on Friday," The New York Times reported. "If all goes according to plan, the Senate would take the bill up on Monday and the House would follow on Tuesday or Wednesday." The bill would then go to President Donald Trump for his signature.

The bipartisan conference committee is expected to convene Wednesday afternoon (Dec. 13) for its one and only public hearing on the measure. "While that meeting will give Republicans and Democrats a final chance to publicly debate the merits of a $1.5 trillion tax cut, it is not expected to alter the trajectory of the bill or its details," The New York Times reported.

Catholics called to action

From a Catholic social justice viewpoint, the tax reform efforts are deeply flawed, for a variety of reasons. An NCR editorial summarized criticism of the bills Catholic

advocates have leveled: "There are so many things wrong with this tax plan: It was put together in secrecy and then rushed through Congress; it is sloppy; it favors the wealthy, ignores the poor and hurts the middle class."

"The bills in their current form are morally unacceptable," said an action alert sent by the U.S. bishops' conference to members of its social justice networks on Tuesday afternoon. "Several changes must be made," the alert said.

"Tell Congress to Make Necessary Moral Changes to the 'Tax Cuts and Jobs Act,' " is the title of the action alert sent to members connected the bishops' social justice network, which includes diocesan and parish directors of peace and justice offices, pro-life offices, Catholic Campaign for Human Development leaders and other grass-roots organizations.

This was the latest in several statements the U.S. bishops have made since tax reform legislation was introduced in the House of Representatives in October. All the bishops' statements have cited six moral principles they say must guide discussion of tax reform:

- Care for the poor
- Family formation and strengthening
- Progressivity of the tax code
- Adequate revenue for the sake of the common good
- Avoiding cuts to poverty programs to finance tax reform
- Incentivize charitable giving and development

Citing these principles in a letter to House and Senate leaders on both sides of the aisle, a coalition of 66 Catholic organizations condemned the tax reform efforts in Congress.

"Our faith mandates these principles guide any deliberations around reforming our tax code. The House and Senate tax proposals are fundamentally flawed when weighed against these guiding principles and must be rejected by Congress," the Dec. 5 letter said, which was signed by representatives of organizations like the Catholic lobbying group Network, congregations of men and women religious and their leadership conferences, Pax Christi International, and Just Faith Ministries.

"Catholics of all political points of view agree that the tax plan before Congress is antithetical to our faith," Social Service Sr. Simone Campbell, executivedirector of

Network, said in an emailed statement. "Faith calls us to care for those who are economically vulnerable. This tax bill will cause the reduction in the care for the vulnerable in order to benefit the wealthiest members of our society."

Attack on workers, infrastructure

After the Senate passed its version of the Tax Cuts and Jobs Act, AFL-CIO President Richard Trumka called it "an attack on America's workers." The AFL-CIO also issued an action alert to its members encouraging them to contact their representatives in Congress and denounce the bill.

"President Trump said that he wanted to lower taxes for everyone as a Christmas gift to America, but this bill is simply a lump of coal to working families across the country," Trumka said in a statement. "The only real gift is the major tax giveaways to Wall Street, big corporations and the super-rich, when what our country needs is investment in our schools and infrastructures that creates jobs."

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Kelly Ross, AFL-CIO deputy director for policy, explained to NCR Dec. 12 that the planned elimination or reduction in state and local tax deductions, "will have a negative impact on local and state spending on infrastructure, essential public services and education." The House version of the bill, he said, repeals other tax provision that fund infrastructure investments.

Union leaders are also worried that the plans increase potential tax avoidance opportunities for businesses and corporations and weaken incentives to maintain labor standards and workers' rights.

"Far and away the biggest concern," Ross said, is the huge increase in deficit spending the plan will spur. "This is not just a $1.5-trillion bill," he said. "It has a lot of gimmicks and is going to cost a lot more than that. It will cost a lot of money, and that will become an excuse to make cuts in infrastructure, education, Medicare, Medicaid. We know this. It's in their budget."

The NCR editorial made this same point, citing work done by the Center on Budget and Policy Priorities: "Republican leaders have repeatedly said in recent weeks that after enacting a tax bill, they will turn to budget cuts — particularly 'welfare reform,'

long a code for cuts to programs that help families of limited means afford food, housing, health care, and other basic needs."

The editorial said: "In October, Congress approved a budget resolution that called for $5.8 trillion in budget cuts over the coming decade. Deep cuts can be expected to Medicaid, Medicare, and basic assistance programs like the Supplemental Nutrition Assistance Program, or SNAP (formerly known as food stamps). Republicans have spent years whittling away at these programs. But the October resolution also called for cutting funds from education and training programs, transportation and other infrastructure, medical research, child and elder care, and other priorities that benefit nearly all Americans."

Education worries

The Association of Catholic Colleges and Universities joined about 50 other higher education associations in a letter to Congress ahead of the conference committee meeting, pointing out concerns in the plans.

This coalition noted that the House version of the bill was particularly harsh on higher education by repealing the Lifetime Learning Credit without substantially increasing the American Opportunity Tax Credit, two programs that greatly benefit people who pay college tuition; the measures repeal deductions for student loan interest, qualified tuition reduction and educational assistance programs. The Senate version retains much of these credits and deductions but eliminates many others — and adds new taxes, such as ones on school endowments and other "unrelated business incomes," as well as repeals various special-issue bond measures that colleges use for capital campaigns.

Elementary and secondary Catholic educators, along with other private school advocates, welcomed provisions in the both versions of the plan that extend a special tax-free college savings account to pay tuition for private K-12 schools, but public education advocates savaged the provision.

Education advocates at all levels criticized the planned elimination or reduction in state and local tax deductions out of fear that states, counties and cities will have a tougher time raising money for schools, which are overwhelming funded by state and local tax revenues.

Among the 13 recommendations the U.S. bishops make in their action alert of Dec. 12 are:

- The nonpartisan Joint Committee on Taxation indicates that both the Senate and House bill will eventually raise taxes on the poor while simultaneously cutting taxes for the wealthy. The final proposal must be amended to avoid this outcome.
- The repeal of the personal exemption will cause larger families with more than three children to be financially worse off. The exemption should be restored, or the final bill should be amended to address this problem.
- The child tax credit's refundability portion is either not increased (House) or very modestly increased (Senate), and should be expanded. The final bill should also strip out changes that will harm immigrant taxpayers.
- The deduction for medical expenses should be retained and expanded. It is eliminated in House, but retained and modestly expanded in the Senate.
- The exclusion for employer adoption assistance should be retained.
- The final bill should include and expand on the Senate's paid family leave and medical leave incentives, but without a sunset.

Considering the difficulties the U.S. bishops had in supporting the Affordable Care Act during the Obama administration, it is noteworthy that the bishops now say, "The Senate language eliminating the ACA Individual Insurance Mandate should not be adopted."

Writing to all U.S. Senators Dec. 6, Bishop Frank Dewane of Venice, Florida, chairman of the bishops' Committee on Domestic Justice and Human Development, said that the House and Senate version of the tax bill "violat[es] basic principles of justice."

"Congress should advance a final tax reform bill only if it meets the key moral concerns outlined above," he wrote.

"Jesus said, 'whatever you did for one of the least of these brothers and sisters of mine, you did to me,' " Campbell said in her statement. "Instead of prioritizing the greed of the wealthy few, I call on our members of Congress to listen to the U.S. Catholic Bishops, Catholic Sisters and others on this letter: oppose this bill."

[Dennis Coday is editor of National Catholic Reporter. NCR staff members Michael Sean Winters and James Dearie, and Global Sisters Report staff member Dan

Stockman contributed to this article.]