LCAO Chair Senate Tax Reform Statement for Approval

Statement of James Firman, chair of the 70-member Leadership Council of Aging Organizations (LCAO) coalition:

Older Americans will be among the big losers if the Senate tax reform bill under consideration passes. Republican leaders have made it clear that their fiscally irresponsible $1.5 trillion increase in the federal budget deficit will result in major cuts to Medicare, Medicaid, discretionary programs like the Older Americans Act, and may be used as an excuse to cut Social Security.

The same budget resolution that permits a Republican-only tax reform bill to pass while exploding the federal deficit includes $473 billion in cuts to Medicare, approximately $1 trillion in cuts to Medicaid, and $800 billion in cuts to “non-defense discretionary” programs like the Older American Act. These planned cuts were confirmed in recent *Roll Call* interviews with several House members, including Budget Committee members, who all anticipated that enacting such cuts would be a priority next year.

The enormous reduction in revenues under the tax reform bill could also harm Americans age 50-64, since millions of baby boomers are qualifying for Medicare and Social Security each year, and our ability to keep our promises to working Americans who have paid into these earned benefits programs for decades may be seriously jeopardized.

We oppose efforts to repeal the Affordable Care Act (ACA) individual health insurance requirement, which will increase premiums significantly and result in 13 million Americans losing their health insurance. Approximately 3.3 million older adults age 55-64 currently receive their health insurance under the ACA.

Although we are pleased that, unlike the House bill, the Senate proposal does not repeal the Medical Expense Deduction, additional concerns for older Americans under the bill are the proposal to repeal all state and local tax deductions, and the negative impact on charitable giving. Repealing state and local tax deductions will likely result in cutting critical state-funded senior community services, including Medicaid, transportation, and meals programs. One-third of taxpayers making $50-75,000 use this deduction, as do half of those making $75-100,000. Research has shown that doubling the standard deduction would reduce the number of itemizers from 30% of taxpayers to as low as 5%, decreasing charitable contributions by an estimated $13 billion. This would have a significant negative impact on the ability of non-profit organizations to continue serving the growing number of older Americans in need.

Finally, we are deeply disappointed that votes will be taken in the Senate without a single hearing being held on the details of the bill introduced. Tax reform impacts every aspect of our economy. Americans deserve careful deliberation and understanding, not a rush to judgment to meet arbitrary deadlines.

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