



*James Firman, Chair*

## **LCAO Chair Statement on the Senate Tax Cuts and Jobs Act**

**Arlington, VA** (Nov. 27, 2017) - Statement from James Firman, chair of the 70-member Leadership Council of Aging Organizations (LCAO) coalition, about the Senate Tax Cuts and Jobs Act:

“Older Americans will be among the big losers if the Senate tax bill under consideration becomes law. 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.

“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 the Congressional Budget Office (CBO) estimates 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 the Senate proposal does not repeal the Medical Expense Deduction, additional serious concerns for older Americans under the bill include:

- **Repealing all state and local tax deductions** would further burden already stretched state budgets, likely leading to cuts in critical state-funded senior community services, including Medicaid, transportation, and meals programs. One-third of taxpayers making \$50,000-75,000 use this deduction, as do half of those making \$75,000-100,000;
- The **negative impact on charitable giving** of doubling the standard deduction and increasing estate tax thresholds. Research has found that doubling the deduction would reduce the number of taxpayers who itemize from 30% 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;

- **Immediate cuts to Medicare and other senior programs** as a result of the tax bill's deficit effects automatically triggering budget sequester pay-as-you-go (PAYGO) spending reductions. According to CBO, Medicare would be cut by \$25 billion next year, along with cuts in prevention, home care, and adult protective services programs, with additional automatic cuts each year for the next decade; and
- **Using the “chained” Consumer Price Index (CPI)** to index tax code brackets and the standard deduction would raise middle income taxes and increase the likelihood that Social Security cost-of-living-adjustments (COLAs) would be cut.

“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.”

#### **About the Leadership Council on Aging (LCAO)**

*The LCAO ([www.lcao.org](http://www.lcao.org)) is a coalition of 70 national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policy-making arena. Since 1980, LCAO has provided leadership and vision as America meets the challenges and opportunities presented by its aging society, advocated for strengthening the public and private sector responses to meeting the needs of America's older population, and promoted thoughtful and rational policy changes where such changes have been necessary.*