

February 28, 2024

## Crapo Statement on Status of Tax Negotiations

**Washington, D.C.**--Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) issued the following statement on discussions regarding H.R. 7024, the Tax Relief for American Families and Workers Act:

"Efforts to pressure Senate Republicans to rubber stamp the Wyden/Smith tax deal have been counterproductive. While my concerns with the bill may be frustrating to some, they should not be surprising. I remain concerned the CTC provisions undermine the work requirement and represent a significant shift – described by some Democrats as a down payment – to transform the CTC from primarily working family tax relief into a government subsidy.

"Allowing individuals to receive a refundable credit when they have zero annual earnings – as the prior year's earnings provision allows – is a departure from longstanding policy tying the CTC to work. I understand this provision may have been dropped for 2023 in an effort to gain my support, but it does not change the fact that I objected to its inclusion for 2024 and 2025. I did not agree to its inclusion then, and I do not support it now.

"I was also concerned about the lack of actual tax relief provided to working families. More than 90 percent of the bill's CTC benefits accrue to taxpayers who will not owe a single dollar of federal income tax – and the 10 percent allocated to those who do will likely not see that relief until the 2026 tax filing season, according to JCT.

"Notwithstanding my stated concerns, Chairman Wyden and Chairman Smith chose to move forward. Chairman Smith was correct in his analysis of what the House of Representatives could support. However, efforts to pressure the Senate to 'take it or leave it' and categorically dismiss a Senate regular order process have only amplified calls for changes and amendments. This was the risk of announcing a deal without my support and with no near-term path forward in the Senate.

"Despite the narrative being pushed by some, it is possible to disagree with the CTC policy in this bill and still support both maintaining pro-growth TCJA policies and an expanded CTC for working families. That is precisely why I am still working with my Senate colleagues to reach consensus on a path forward. My key concerns, shared by many of my colleagues, remain the same – the prior year's earnings provision must be dropped and replaced with actual tax relief. But with each week that has passed, members have strongly voiced additional calls for numerous modifications, and there are also increasing concerns about making 2023 changes this far into the IRS tax filing season. While I remain committed to seeking a bipartisan resolution that a majority of Senate Republicans can support, I hope the bill's proponents commit to pursuing a more constructive strategy to achieve a mutually agreeable outcome."

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