



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 14, 2017
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1 – Tax Cuts and Jobs Act

(Rep. Brady, R-TX, and 24 cosponsors)

The Administration strongly supports House passage of H.R. 1, the Tax Cuts and Jobs Act. Passing the bill is an important first step in achieving comprehensive tax reform that cuts taxes for hard-working families and puts the Nation's economy on a path of higher economic growth. The President's priorities for tax reform have been consistent from day one: (1) cut taxes for middle-income families; (2) simplify the Nation's complicated tax system; and (3) reduce business taxes so that American employers can create jobs, raise wages for their workers, and better compete with foreign businesses.

H.R. 1 would deliver meaningful tax cuts for middle-income families by nearly doubling the standard deduction, lowering tax rates, increasing the child tax credit, and creating a new Family Flexibility credit. It would simplify tax filing so that the large majority of Americans could file their taxes on a single page. The bill would also cut the corporate tax rate to 20 percent -- below the average tax rate in the Organisation for Economic Co-operation and Development. Finally, H.R. 1 would lower taxes for millions of S corporations, sole proprietors, and partnerships that pay taxes at individual rates.

Based on a review of more than 100 academic papers, the White House Council of Economic Advisors (CEA) estimates that the corporate provisions in H.R. 1 would grow the economy by between 3 and 5 percent over the next 10 years, which if applied to 2027 Gross Domestic Product projections, would result in an additional \$700 billion to \$1.2 trillion in economic output per year. CEA also found that the same provisions would increase average household income by at least \$4,000 annually.

If H.R. 1 were presented to the President, his advisors would recommend that he sign the bill into law.

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