**Frank Mrvan voted to give a special tax break to millionaires in New York and California. To pay for the special tax break, Mrvan voted for the largest tax hike in decades.**

**The Build Back Better Act would give a tax break to wealthy families:**

- **On November 19, 2021, Mrvan voted for H.R. 5376, The Build Back Better Act.** (H.R. 5376, Roll Call Vote #385: Passed 220-213: R 0-212, D 220-1, 11/19/21, Mrvan Voted Yea; CQ Summary, Accessed 5/9/22)

**The Build Back Better Act increases the SALT deduction cap, primarily benefitting families making $100,000 or more:**

- **The Build Back Better Act increases the SALT deduction cap to $80,000.** "The latest version adds nearly $200 billion for a paid family and medical leave program and nearly $300 billion to increase the SALT deduction cap from $10,000 to $80,000 for tax years 2021 through 2025." ("What's in the House's Build Back Better Act," Committee For A Responsible Federal Budget, 11/8/21)

- **Approximately 98 percent of the salt deduction cap increase would benefit families making $100,000 or more.** "The bill devotes nearly $300 billion to increasing the cap on the state and local tax deduction — known as the SALT deduction — from $10,000 to $80,000 through the end of 2025. It goes without saying that if you are paying tens of thousands of dollars in state and local taxes, you probably aren't middle class. (And people with just over $10,000 of state and local taxes probably are collecting the $25,100 standard deduction rather than itemizing.) Based on a Tax Foundation analysis of a similar plan, roughly 98 percent of this tax cut would go to households making six figures or more." (Marc Goldwein, Op-Ed, "There's A Baffling Tax Gift To The Wealthy In The Democrats' Social-Spending Bill," The Washington Post, 11/5/21) )

**The package could contain the "biggest set of U.S. tax increases in a generation":**

- **The Spending Bill Could Include "The Biggest Set Of U.S. Tax Increases In A Generation."** "The biggest set of U.S. tax increases in a generation took a major step forward on Wednesday with approval by the House Ways and Means Committee of $2.1 trillion in new levies AMERICA RISING ISSUE CHAPTER 63 7/6/22 mostly focused on corporations and the wealthy." (Erik Wasson, Kaustuv Basu, and Allyson Versprille, "Tax Hikes To Pay For Biden Agenda Approved By House Panel," *Bloomberg*, 9/15/21)

**Build Back Better could lead to about $1 trillion in tax hikes on American workers and businesses, force middle class Americans to shoulder the burden of new corporate taxes, and result in one of the highest tax rates in the developed world:**

- **Build Back Better could lead to $530 billion in tax hikes on American workers and $470 billion in tax hikes on corporations.** "On a conventional basis, the House bill would raise about $1 trillion in federal revenue from 2022 to 2031. The bill includes about $1.7 trillion in gross revenue raisers, composed of about $470 billion in corporate tax increases, $530 billion in individual tax increases, $148 billion net from additional IRS tax enforcement, $340 billion from the drug pricing provisions, and about $177 billion in net revenue from Ways & Means items scored by the Joint Committee on Taxation (JCT) and Congressional Budget Office (CBO)." (Alex Durante, Cody Kallen, Huaqun Li, William McBride, Alex Muresianu, Erica York, Garrett Watson, "House Build Back Better Act: Details & Analysis of Tax Provisions in the Budget Reconciliation Bill," *Tax Foundation*, 12/2/21)

- **The Committee for a Responsible Federal Budget determined that the increase in corporate taxes would result in an indirect tax burden for "some percentage of households in every income group."** "By comparison, only about one-third of those in the top 1 percent of earners and one-fifth of those within the 95th and 99th income percentiles would face a higher tax burden. While the bill does not directly increase taxes on anyone earning less than $400,000 per year, some percentage of households in every income group would end up with higher *indirect* tax burdens because of higher corporate taxes. TPC and other estimators believe corporate tax increases ultimately flow through to retirement accounts, wages, and other sources of income across the income spectrum." (Committee for a Responsible Federal Budget, "Two-Thirds of the 'One Percent' Get a Tax Cut Under Build Back Better, Due to SALT Relief," Blog, 12/10/21)

- **The National Federation of Independent Business determined that the Build Back Better Act would hit small businesses with "significant tax increases, inflexible mandates, and unaffordable penalties."** "'By passing the Build Back Better Act, the U.S. House has proposed saddling small businesses with significant tax increases, inflexible mandates, and unaffordable penalties,' said Kevin Kuhlman, NFIB Vice President of Federal Government Relations. 'Small businesses are facing numerous challenges right now, including the inflation tax, supply chain disruptions, worker shortages, and COVID-19 variants and restrictions. These additional burdens will severely hurt small businesses across the country, threaten the small business recovery, and punish Main Street.'" (National Federation of Independent Business, "NFIB: House's Build Back Better Act Would Harm Small Business Recovery," Press Release, 11/19/21)

- **Build Back Better would result in one of the highest income tax rates in the developed world.** "Under the latest iteration of the House Build Back Better Act (BBBA), the average top tax rate on personal income would reach 57.4 percent, giving the U.S. the highest rate in the Organisation for Economic Co-operation and Development (OECD). All 50 states plus the District of Columbia would have top tax rates on personal income exceeding 50 percent." (Alex Durante and William McBride, "Top Tax Rate on Personal Income Would Be Highest in OECD under New Build Back Better Framework," *Tax Foundation*, 11/1/21)

**The House-approved Build Back Better legislation increases the cap on state and local tax (SALT) deductibility, which would cost $85 billion per year, result in benefits almost exclusively for millionaires in New York and California, and allow for blue-state governors and mayors to further raise state and local taxes on families and businesses:**

- **The House-approved Build Back Better bill would increase the cap on state and local tax deductibility.** "House Democrats on Friday passed their $1.75 trillion spending package with a temporary increase for the limit on the federal deduction for state and local taxes, known as SALT. The bill would boost the limit to $80,000 from 2021 through 2030 before dropping it back to $10,000 in 2031. Without changes, the current $10,000 cap will expire after 2025." (Kate Dore, "House Democrats pass spending package with $80,000 SALT cap through 2030," *CNBC,* 11/19/21)

- **"Repealing the SALT cap would cost the Treasury roughly $85 billion per year."** "Repealing the SALT cap would cost the Treasury roughly $85 billion per year, and about $350 billion in total before the cap (along with other parts of the TCJA) expires in 2026. Each dollar spent on SALT cap repeal is either unavailable for other priorities in reconciliation or must be financed with additional tax increases or spending cuts." (Committee for a Responsible Federal Budget, "SALT Cap Repeal Would Be a Costly Mistake," 9/10/21)

    - **The cost of repealing the SALT cap is significantly larger than several other provisions within Build Back Better.** "The $85 billion annual cost of repeal is more than five times larger than the President's universal pre-school plan, almost eight times as large as providing free community college, and over three-quarters as large as the cost of extending the expanded child tax credit. Meanwhile, the annual average cost of SALT cap repeal is two and a half times larger than the average annual revenue raised from increasing the top marginal income tax rate to 39.6 percent and 20 percent larger than the average annual revenue generated by raising the corporate tax rate to 28 percent." (Committee for a Responsible Federal Budget, "SALT Cap Repeal Would Be a Costly Mistake," 9/10/21)

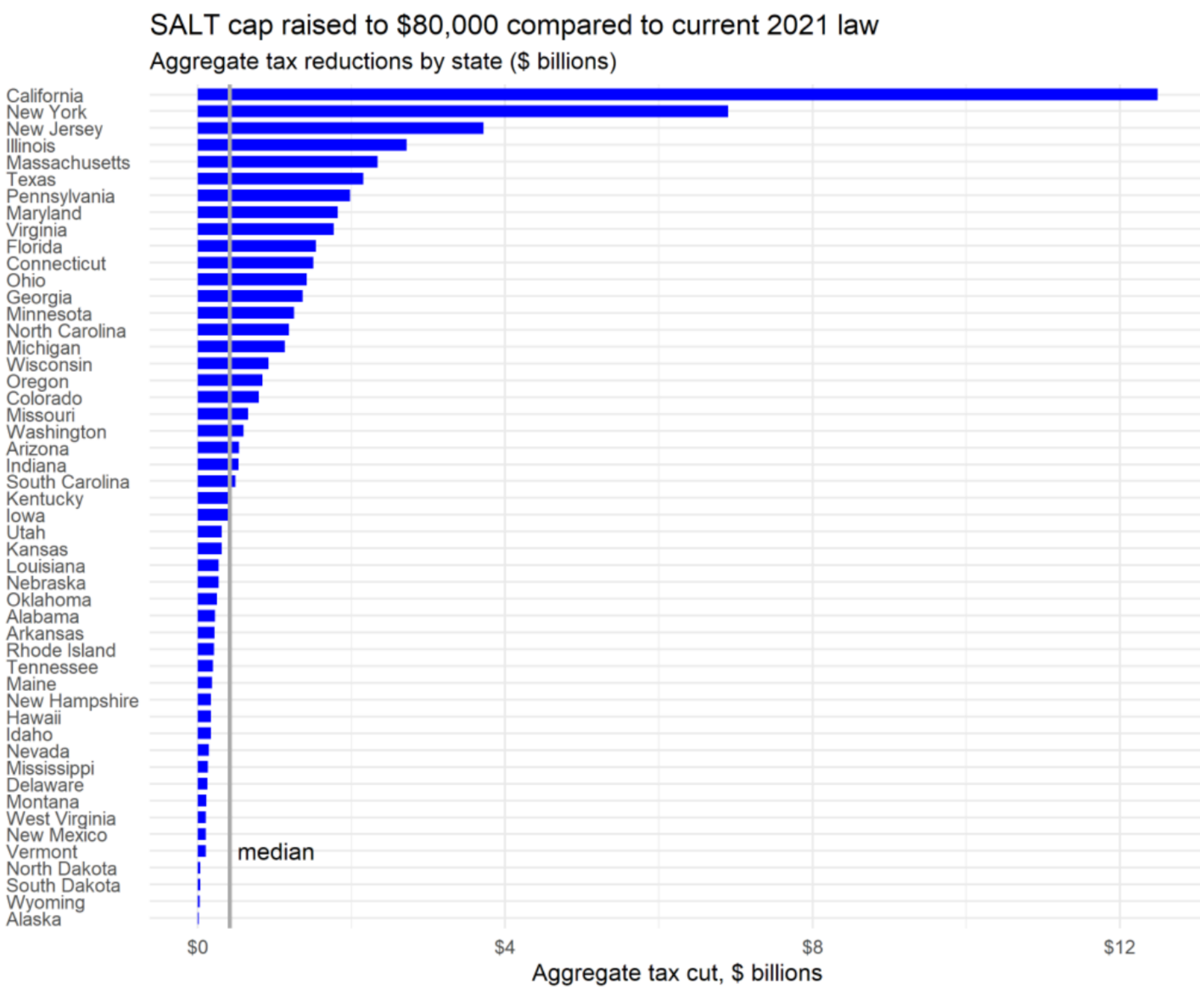
- **"The benefits of SALT cap repeal go almost exclusively to high earners."** "The benefits of SALT cap repeal go almost exclusively to high earners. Over half the benefit would go to the top 1 percent of earners, who would receive an average tax cut of $35,660 per household, according to data from the Tax Policy Center. Nearly 96 percent of the benefit would go to the top 20 percent of earners." (Committee for a Responsible Federal Budget, "SALT Cap Repeal Would Be a Costly Mistake," 9/10/21)

    - **Raising the SALT cap to $80,000 would benefit the top 1 percent of households.** "The big difference would be at the very top of the income distribution. Nearly one-third of the benefit of the $80,000 cap would go to the top 1 percent of households (those making nearly $870,000 or more). But the top 1 percent would get only 0.1% of the benefit if the $10,000 SALT cap is gradually restored starting at $400,000." (Howard Gleckman, "How An $80,000 SALT Cap Stacks Up Against A Full Deduction For Those Making $400,000 Or Less," *Forbes*, 11/18/21)

- **"Two-thirds of households making over $1 million per year would receive a tax cut under the Build Back Better Act."** "However, because Build Back Better would raise the $10,000 cap on the state and local tax (SALT) deduction, it would cut taxes for the majority of very wealthy families as well. According to TPC, two-thirds of households making over $1 million per year would receive a tax cut under the Build Back Better Act. More than three-quarters of households earning between $500,000 and $1 million would also receive a tax cut, as would two-thirds of those earning between

$200,000 and $500,000." (Committee for a Responsible Federal Budget, "Two-Thirds of Millionaires Get a Tax Cut Under Build Back Better, Due to SALT Relief," Blog, 11/12/21)

- **Four states – California, New York, New Jersey, and Illinois – would receive 46% of the of the national tax reduction as a result of raising the SALT cap to $80,000.** "Taxpayers in California would receive $12.5 billion of the $55.9 billion national tax reduction, or 22.3 percent. They would be followed by New York ($6.9 billion), New Jersey ($3.7 billion), and Illinois ($2.7 billion). (Figure 1.) Taxpayers in these four states, combined, would receive 46 percent of the national tax reduction." (Matt Jensen and Donald Boyd, "How raising the SALT cap would affect taxpayers in different states, part II," *American Enterprise Institute*, 11/15/21)




(Matt Jensen and Donald Boyd, "How raising the SALT cap would affect taxpayers in different states, part II," *American Enterprise Institute*, 11/15/21)

- **"SALT cap expansion also gives a green light to blue-state governors and mayors to raise state and local taxes even brutally higher on families and businesses."** (U.S. House of

Representatives, Committee on Ways and Means, "UPDATED: Democrats' Latest Crippling Tax Hikes Punish Workers & Families, Send Jobs Overseas, Crush Small Business, & Make Labor Shortage Worse," Press Release, 11/4/21)