

**MEMBERS DAY HEARING**

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**HEARING**

BEFORE THE

**COMMITTEE ON WAYS AND MEANS**

**U.S. HOUSE OF REPRESENTATIVES**

**ONE HUNDRED SEVENTEETH CONGRESS**

FIRST SESSION

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<b>COMMITTEE ON WAYS AND MEANS</b> <b>RICHARD E. NEAL, Massachusetts, Chairman</b>	
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BRANDON CASEY, <i>Staff Director</i> GARY ANDRES, <i>Minority Staff Director</i>	

**ADVISORY**

The committee met, pursuant to call, at 10:05 a.m., via Webex, Hon. Richard Neal [chairman of the committee] presiding.

\*Chairman Neal. The committee will come to order.

I want to thank our committee and our colleagues in Congress for joining us this morning for this important Members' Day hearing.

Today's hearing is an opportunity for the committee to hear diverse viewpoints from both sides of the aisle on legislation of importance to constituents from across all regions of the United States. So we are holding this remote hearing in compliance with House Resolution 8, and I want to remind Members of a few procedures to help you navigate the hearing.

First, consistent with regulations, the committee will keep microphones muted to limit background noise. Members of the committee are responsible for unmuting themselves when they seek recognition. Our members joining us as witnesses are also responsible for unmuting themselves when recognized under the five-minute rule.

In addition, when members are present in the proceeding, they must have their cameras on. If you need to step away to attend another proceeding, please turn your camera and audio off, rather than logging out of the platform.

With that, let me turn to today's business. We will, in a few minutes, hear from more than 20 Members on a broad range of topics within the committee's jurisdiction, from tax to Social Security and retirement security to trade, health care, and social services, the issues that the Ways and Means Committee addresses have a significant impact on the lives of all Americans.

Over the last year our committee has been the center of every major piece of legislation to address health and economic crises caused by the global coronavirus pandemic.

[Audio malfunction.]

\*Chairman Neal. -- our legislative and recovery efforts, I am interested in continuing a long-running and productive conversation about our nation's infrastructure challenges, and how Congress can address them. Every effort will be made to secure bipartisan support for infrastructure.

As we proceed to Infrastructure Week, we want to give new meaning to the term. Unfortunately, disasters like the catastrophic power failure in Texas, a drinking water crisis in Michigan or Mississippi, or a bridge collapse in Minnesota have underscored the urgency. And now, at the hands of the pandemic, we are more aware of the fact that, to reignite our economy and compete internationally, we must also update our definition of infrastructure.

Our roads, bridges, transit, water systems, electrical grids need updating, as well as new investments in rail. But to do so, the social supports that enabled workers to compete must also have reinvestment to build our economy. Simply put, the road underneath you might get you to work, but it is the access to affordable childcare that helps get you through the day. Working closely with President Biden, I believe we could put our country on course to build back better by unlocking our tax code to work better for more Americans.

Investing in modern and sustainable infrastructure systems we know will be needed, all while creating millions of good-paying jobs, and laying the groundwork for a future with net zero emissions: the Ways and Means

Committee will play a critical role in this process, and I am particularly interested to hear from Members on both sides of the aisle this morning.

In the Ways and Means Committee we don't just debate issues; we find solutions to the challenges that our constituents face. I think there is room to do a lot of good work here, and I look forward to hearing from our colleagues today on how we can improve the lives of everyday Americans, and strengthen the nation's future.

\*Chairman Neal. And with that, let me recognize the ranking member, Mr. Brady, for an opening statement.

\*Mr. Brady. Thank you, Chairman Neal. As you know, infrastructure has long been a bipartisan issue in Congress for decades. Republicans and Democrats have come together on finding common ground on key issues, whether it is roads and bridges, highways, ports, railroads, broadband, aviation, the broad range of infrastructure.

Regrettably, in our view, today's hearing is nothing more than another partisan exercise so the Democrat House leadership can set up yet another multi-trillion-dollar, one-sided spending bill.

While you know I greatly appreciate the opportunity to work with and listen to Members on both sides of the aisle in order to achieve something that will improve all Americans' lives, today's hearing, regrettably, isn't about all Americans. It is about Speaker Pelosi's partisan gamesmanship, striving to produce legislation whose Washington tax grabs will have enormous harmful consequences for working families and Main Street businesses.

This pretend hearing features no expert witnesses, no opportunity for committee members to respond to or engage with the ideas put forth during testimony, no chance, really, to voice our own opinions. Chairman, I know that you feel strongly about protecting the institution of the committee, as I do. We both have benefitted from meaningful Members' Day hearings, where we engage with Members and discuss ideas together.

In the 115th Congress we came together as a committee for a Members' Day hearing where Members of Congress shared constituents' experiences -- the bad ones -- with the Internal Revenue Service. This was -- went over a

dozen hearings held on the bipartisan Taxpayer First Act. By contrast, today's hearing is being used as the sole hearing to check the box, to satisfy regular order on a major infrastructure overhaul.

This is a topic too important, too widespread, and, frankly, too costly to politicize this way. Committee Republicans welcome a fair and deep discussion on infrastructure and economic growth. We urge you to proceed under regular order, and hold a real hearing on infrastructure financing before moving any related infrastructure legislation to the floor.

Republicans, therefore, will not participate in today's event. We believe this topic deserves discussion up here on the dais between both parties, rather than a long line of testimonies from our colleagues, who we respect.

Our committee has always had a reputation and a tradition for finding common ground on big issues. That work together is what has made this committee influential. And our strong working relationship, Chairman, has yielded important reforms. Together we banned surprise medical billing, we ended the tax extender service, we passed the first-in-generation reform of the IRS, and we passed the first reforms of retirement security in more than a decade. The things we have been able to achieve together have paid dividends to the American people.

Therefore, I look forward to the opportunity to work with you directly, Mr. Chairman, in a hearing format where collaboration will once again yield a meaningful benefit for all Americans. This hearing is not it, and Ways and Means Republicans will not be party to it today.

\*Mr. Brady. With that, I yield back, Chairman.

[Audio malfunction.]

\*Chairman Neal. -- all Members of Congress as we move forward in this endeavor.

So let me welcome our first panel of esteemed colleagues today: Representative Ryan of Ohio; Representative Sherrill of New Jersey; Representative Norton of the District of Columbia; Representative Underwood of Illinois; and Representative Graves of Louisiana. That will be the first panel.

So let me begin with the understanding that each of your written statements will be made part of the record, and I ask you to limit your testimony to five minutes.

Consistent with committee practice, and out of respect for all of our schedules, we will not require you to stay to answer questions. This is the beginning of a long process.

The gentleman from Ohio, Mr. Ryan, is recognized to begin.



STATEMENT OF HON. TIM RYAN, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF OHIO

\*Mr. Ryan. Thank you, Chairman. Thank you, Chairman Neal, Ranking Member Brady, and members of the committee. Thank you for the opportunity to testify. And thank you for your leadership on the COVID-19 package to you, Mr. Chairman and this committee. Ninety-two percent of Ohio families with children will see the benefit from the tax credit, and I think that is -- should be taking credit, primarily because of the work of this committee.

I want to talk about two issues very briefly. For over 12 years, Mr. Chairman, I have been working closely with a member of this committee, Mr. Kildee, to fix an injustice done to the salaried pensioners of Delphi Automotive. In 1999 Delphi was created through the spinoff of the automotive components group from General Motors. The majority of the Delphi employees spent two-thirds of their careers as GM employees. In 2005, Delphi entered bankruptcy protection.

As part of the restructuring of the company, many long-term employees were forced into early retirements, and having to rely on their promised pensions. Then, in February of 2009, Delphi's salaried retirees lost their health care benefits. And in July 2009 the PBGC terminated Delphi's pension plans.

GM, then under the control of the U.S. Treasury Department as part of the auto bailout, agreed to make up the difference between the PBGC benefit and the earned benefits for the majority of Delphi hourly employees.

However, Delphi salaried employees did not receive any such top-up, and, as a result, their pension benefits were drastically reduced. These reductions have had a profound negative effect on individual retirees, their families, and our communities. One study showed that the direct and indirect income loss to the Mahoning Valley, where I represent in my congressional district, could be over \$57 million, annually.

These folks are looking for fairness in how their pensions were treated by the U.S. Treasury Department because it was Treasury that ultimately was in charge of deciding how to handle the Delphi salaried pensions. Mr. Chairman, after 12 years my constituents and I would like to finally fix this issue, and I seek help from you and your committee and this staff to help me find a solution. And let me quickly commend the Delphi salaried workers for their tenacity over these 12 years. They never gave up, and they are not giving up, and we want to let them know that we are not giving up, either.

And I take slight offense too, Mr. Chairman, to the comments of the ranking member to somehow diminish the importance of this issue before this committee. And for the Republicans to boycott this issue, boycott hearing about the Delphi salaried retirees, I believe, is a slap in the face to all 20,000 of these retirees.

Next I would like to shift to a -- discuss, perhaps, the issue I hear most from my constituents and my own mother every week at Sunday dinner: the windfall elimination provision, and the government pension offset. As the committee knows, WEP punishes middle and low-income retirees by preventing them from recovering all their earned benefits.

Additionally, GPO reduces Social Security benefits a person receives as

a spouse if he or she also has a government pension, based on work not covered by Social Security. This offset is especially unfair, because a retired worker with a private pension would not be subject to the same Social Security offset.

And while these issues do not impact every state, it does unfairly impact a number of people in my home state of Ohio and other states, including Texas. Throughout my time in Congress I have been a strong supporter of repealing the government pension offset and windfall elimination provision. And so I come before this committee to strongly advocate on behalf of H.R. 82, the Social Security Fairness Act, and to support reintroduction of your bill, Mr. Chairman, the Public Servants Protection and Fairness Act.

I know my time is limited, Mr. Chairman. I would just like to say that these issues impact both Democrats and Republicans, alike. And I believe that these are areas where we can truly find bipartisan consensus in order to provide for -- relief for our constituents.

I strongly urge the committee to make repealing GPO and WEP a priority for this Congress, and addressing the issue of the Delphi salaried retirees. I stand ready to assist in any way that I can.

Thank you again, Mr. Chairman and Ranking Member Brady, for the opportunity to speak before you here today, and for the consideration of these important matters.

I yield back the balance of my time.

\*Chairman Neal. Thanks, Mr. Ryan.

And the gentleman --

For what purpose does the gentleman from Michigan seek recognition?

\*Mr. Kildee. Mr. Chairman, I know we are not asking our witnesses to stay for questions, but the issue that our colleague, Mr. Ryan, has testified on is of great importance to my district. And so I ask unanimous consent to briefly speak with Mr. Ryan in a colloquy.

\*Chairman Neal. The gentleman is recognized.

\*Mr. Kildee. Thank you, Mr. Chairman, for holding this hearing, and for your leadership on all of these issues.

Representative Ryan, thank you for raising this really important issue of the Delphi salaried retirees with the committee. This is an issue that is very important to both of our districts. And one, as you said, that you and I have been working on for quite some time.

In my home state of Michigan we have almost 6,000 Delphi salaried retirees, many of whom are in my district. So, Mr. Ryan, how many of those such retirees are you aware of in the State of Ohio?

\*Mr. Ryan. We have about five, thank -- and thank you for your interest, Mr. Kildee. We have about 5,000 in the State of Ohio, about 1,200 in my district, and another concentration down in the Dayton area, but 5,000 for the State.

\*Mr. Kildee. We are in a similar situation, but we also have thousands of these retirees living across the country. I am aware of many in Indiana, in New York, in Florida, and other places around the country. What has happened to them, as you said, is an injustice, and it is long past time that we

correct it.

Congressman Ryan, can you briefly mention any interactions that you had with the new Biden Administration on the Delphi salaried retiree issue?

\*Mr. Ryan. Well, I know this is on the President's radar screen. On his whistlestop tour through Ohio he was asked this question, and he said he was aware of it, he wants to try to fix it. He even mentioned how his own father lost one of his pensions through no fault of his own. So I know he is deeply concerned about these pension issues, and he is aware about the Delphi salaried retirees issue, as well.

\*Mr. Kildee. Thank you. I have spoken -- you and I both have spoken with chairman. We have been talking to the committee staff on the need for a legislative fix on this issue, and so I appreciate this. And I assume that we can count on you to be a part of a legislative effort to correct this injustice.

\*Mr. Ryan. We are all in, Congressman Kildee, we are all in. And as I have told the Delphi salaried folks on numerous occasions, this has been a long, tough process, but we are not giving up. And we didn't give up on Butch Lewis, and the chairman made that happen in the last package, and there is 40,000 retirees in Ohio that have benefitted from that. And we are not going to give up on this or anybody else's pension. So we are in it for the long haul.

\*Mr. Kildee. Well, thank you, Congressman Ryan. You have been a champion for these retirees for a long time. I appreciate the chance to talk to you.

And Mr. Chairman, I seriously appreciate the opportunity to be able to

engage in this colloquy. I yield back.

\*Chairman Neal. I thank the gentleman. And let me note that it is my hope that we can now proceed without interruption after this, so that we might stay on schedule. Let us proceed.

We will now hear from the gentlelady from the State of New Jersey, Mikie Sherrill.

STATEMENT OF HON. MIKIE SHERRILL, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW JERSEY

\*Ms. Sherrill. Thank you, Chairman Neal, Ranking Member Brady, and members of the committee for providing me the opportunity to testify today. I also want to thank my good friend and colleague from New Jersey, Rep. Pascrell, for his outstanding work to support our state's priorities on this committee.

I applaud the Ways and Means Committee for their important work on the American Rescue Plan, particularly the significant expansion of the Child Tax Credit, a new round of stimulus checks, and a major boost to cost-sharing subsidies for the Affordable Care Act and COBRA. Together, these policies will cut child poverty in half, meaning that over five million children will have access to basic food and housing security.

They will also reduce the number of people without health insurance by over a million, and cut health care costs for almost 15 million more Americans who currently lack insurance.

New Jersey was hit hard by the COVID-19 pandemic, and continues to see high rates of unemployment and business closures. The American Rescue Plan will provide essential economic relief to New Jersey residents and my constituents, but there are additional steps we can take to alleviate the burden on families across the country.

One of those steps, and a critical component to our overall economic recovery, must be the repeal of the State and Local Tax Deduction cap that was imposed by the 2017 tax law. For my constituents and millions of

taxpayers throughout the country, the SALT deduction cap has imposed a harmful double tax, and has created one of the largest marriage penalties in the federal tax code.

Thousands of New Jerseyans already reeling from the economic consequences of the pandemic will now be hit by a significant increase in federal taxes, compared to what they faced before the deduction cap was introduced. As our economy recovers from this public health and economic crisis, it is critical that we provide our constituents and state and local government with the relief that they desperately need.

There is a misconception that the SALT deduction cap doesn't help middle-class families who need relief, but instead only helps the well-off. But in high-cost-of-living states like my district, SALT does, in fact, make a critical difference in helping make ends meet for our middle class. I have spoken to teachers and law enforcement officers who tell me that they depend on this deduction to afford the high cost of living in our area. Those are the constituents who need this relief the most, and I won't let them down.

Let's be clear. The Republican 2017 tax bill placed this undue double tax burden on the very residents across the country who live in states and communities that have already prioritized the progressive policies we all support. New Jersey has invested, and continues to invest in well-funded schools for our children, living wages for workers, funding to adequately pay teachers and first responders, infrastructure for the next generation, environmental protections -- the list goes on. Our states and communities have made the investments that the Federal Government, and especially the Trump Administration, have failed to make, and this cap punishes them for it.



According to the Tax Foundation, before the 2017 tax bill 30 percent of Americans itemized their taxes. And of that, 95 percent of itemizers took the SALT deduction. In February 2013 the Treasury Department estimated that almost 11 million Americans would no longer be able to deduct over \$300 billion in state and local taxes, as a result of the SALT deduction cap. This significant tax burden means that billions of dollars are not being spent in our economy to support our small businesses and keep workers employed.

Furthermore, current SALT rules mean that married couples have their SALT deduction cut in half, relative to two individual filers. At a time when families are struggling, and we are trying to direct needed relief to parents, it makes no sense to impose an extra tax burden on married couples, many of whom have children. This affects taxpayers in every state of the country, both red and blue.

In high-cost-of-living states and regions, the SALT deduction cap has also increased the movement of higher-income taxpayers to other states. In a 2019 survey by the New Jersey Society of Certified Public Accountants, 60 percent of respondents said that the 2017 tax law increased the number of clients that they would advise to leave our state. The loss of this tax base has stuck lower and middle-income taxpayers with the bill for essential services such as education, law enforcement, and infrastructure, and has weakened the ability of our state and local governments to fund these vital investments.

The SALT deduction cap will make it more difficult for our state and local governments to finance the long-term investments that are crucial to equitable growth, and could lead to a race to the bottom of spending cuts to our school systems, public transit, and public-sector workforce. This will

harm our ability to provide the children in New Jersey with the quality education, the best in the nation that they deserve, and to transition our transportation infrastructure to clean energy.

This need is especially important now, as state and local governments deal with the economic fallout of COVID-19. As a result of the pandemic, state and local governments nationwide are already looking at a shortfall of around \$300 billion over the next year, and will need to have the ability to raise revenue to avoid long-term spending cuts.

Residents of New Jersey already pay far more in taxes to the Federal Government than they receive in federal spending. According to a 2017 tax report, New Jersey received the second-lowest level of federal spending relative to federal taxes paid among all states in the nation, with over \$21 billion more in federal taxes paid than federal spending received. It is manifestly unfair to my constituents that, on top of this, federal tax policy will also make it more difficult for our state and local governments to continue providing critical services to our residents.

In that vein, I was proud that the House passed the legislation I cosponsored in 2019 that sought to lift the deduction cap for state and local taxes for two years. That legislation provided almost \$200 billion in tax relief to states like New Jersey. So I am excited to soon be reintroducing my SALT Relief and Marriage Penalty Elimination Act, and hope that we can include SALT relief in the next reconciliation package that this Congress and the Biden Administration undertakes.

I know many of my colleagues feel as strongly about this issue as I do, and I look forward to -- for advocating for our constituents alongside them.

Thank you so much, Mr. Chairman, and I yield back.

\*Chairman Neal. I thank the gentlelady.

Let me now recognize the gentlelady from the District of Columbia, Representative Eleanor Holmes Norton, for five minutes.

STATEMENT OF HON. ELEANOR HOLMES NORTON, A DELEGATE  
IN CONGRESS FROM THE DISTRICT OF COLUMBIA

\*Ms. Norton. Thank you, Chairman Neal, for this opportunity to testify before you today.

I ask that you mark up my bill to reinstate the federal empowerment zones in the District of Columbia designated as H.R. 6059 last Congress. This bill would designate certain areas of the district as Empowerment Zones, effectively reauthorizing many of the unique tax incentives for business investment in D.C. that expired in 2011. D.C.'s economy has been particularly hard hit by the effects of the coronavirus pandemic, making my bill more urgent than ever.

In 1993 Congress created the National Empowerment Zone program, and left it to federal agencies to designate a certain number of low-income areas as Empowerment Zones. D.C. was not one of the areas selected. However, in 1997, working primarily with Republicans in Congress, I created federal tax incentives for investment in the District by businesses and individuals. The business incentives were similar to but more generous than those available under the National Empowerment Zone program.

I got the D.C. incentives reauthorized regularly until 2011, when Congress refused to extend only the D.C. program. At the same time, the National Empowerment Zone program continued to be reauthorized, and has been reauthorized through 2025.

Under my bill, certain low-income D.C. neighborhoods, particularly in wards 5, 7, and 8, would be treated as Empowerment Zones, as long as the

National Empowerment Zone program remains in effect.

Congress has recognized that the benefits of incentives for investment in economically distressed communities outweigh the costs, as it has continually extended the National Empowerment Zone program. The tax incentives for the District were the only tax incentives for a big city that were not extended, even though they were initially created by Republicans with the help of several Democrats.

The wisdom of these bipartisan, modest, targeted tax incentives has been amply and visibly demonstrated in the economic resurgence in many parts of the Nation's Capital, where they were available. Among the most visible examples are the formerly rundown area around the Verizon Center, now Capital One Arena, which is now surrounded by offices, restaurants, and vibrant nightlife, and the Penn Quarter neighborhood, which had limited residential, commercial, and retail space, and is now a popular mixed-use neighborhood.

Unfortunately, D.C. tax incentives were dropped before the poorest neighborhoods were ready to make use of them. The Federal Government's decision to build the consolidated headquarters of the U.S. Department of Homeland Security D.C.'s lowest-income ward, ward 8, lays the groundwork for much revitalization there.

Tax incentives, particularly in areas in D.C. where the Federal Government is expanding, as it did in the NoMa neighborhood, have demonstrated that they can help revitalize such neighborhoods. Withdrawing D.C.'s incentives, particularly after they have proven effective in other areas of the city, has left the Nation's Capital with only half of a revival, and was

tragically timed just as the lower-income parts of D.C., which need the incentives most, are ready for redevelopment.

The effectiveness of these incentives for the District has been demonstrated in their cost, have been de minimi, compared to the measurable benefits they have generated.

I ask that you mark up this important bill, and I thank you for your consideration, Chairman Neal, and I yield back.

\*Chairman Neal. I thank the gentlelady.

Let me recognize the gentlelady from Illinois, Congresswoman Lauren Underwood, for five minutes.



STATEMENT OF HON. LAUREN UNDERWOOD, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF ILLINOIS

\*Ms. Underwood. Well, Mr. Chairman, thank you so much for providing this opportunity for all Members to share their priorities with the Ways and Means Committee.

Eleven years ago today, the Affordable Care Act was signed into law. I am grateful to appear before the committee to acknowledge how far we have come in ensuring Americans have affordable, high-quality care, and how much work we have left to do.

Before the Affordable Care Act went into effect, 44 million Americans were uninsured; being a woman was considered a reason that insurers could charge higher premiums; people had annual and lifetime caps on benefits; and people with preexisting conditions could be denied coverage all together.

Eleven years later, an additional 20 million Americans are covered; people with pre-existing conditions are protected; women no longer face discrimination; and young people can stay on their family's plan until they turn 26. To paraphrase President Biden, that is a big deal.

But even with this progress, quality, affordable health care has remained out of reach for too many Americans. A middle-class family of four in my northern Illinois district could be paying more than \$1,000 per month on premiums. A 60-year-old couple with an annual income of \$80,000 could be paying more than \$20,000 per year for health insurance, a full quarter of their income.

Families in my community are struggling to pay for health care, and

they asked me to do something about it, and I promised them I would. And in large part, thanks to your leadership as chairman, House Democrats were able to lower health insurance costs as part of the American Rescue Plan.

As you are well aware, the American Rescue Plan includes a two-year version of legislation that I introduced, the Health Care Affordability Act, to lower out-of-pocket insurance costs and cap premiums for everyone. My bill would expand the premium tax credits that help to reduce the amount that individuals and families spend on health care. The family of four in my district struggling to afford their coverage could see savings of more than \$7,500 per year. The 60-year-old couple, who currently pays a quarter of their income on premiums, could save more than \$1,000 a month, seeing their premiums drop by nearly 70 percent.

In the middle of a once-in-a-century health crisis, the American Rescue Plan offers access to affordable care at a time when people need it the most. But the need for quality, affordable health care won't end when the public health emergency does. We need to make these policies permanent by passing my Health Care Affordability Act, and ensuring that quality care will remain accessible for every American during the pandemic and beyond.

Mr. Chairman, thank you for your leadership on these policies. I look forward to working with you to pass the Health Care Affordability Act, and make the desperately-needed financial relief and critical coverage gains from the American Rescue Plan permanent. Together we could ensure that Americans who lay awake at night wondering if they are one illness away from medical bankruptcy, or one layoff away from losing their coverage will finally have the health and economic protections that they need and deserve.

I also come before the committee today to advocate for your consideration of legislation to provide tax relief for middle-class families in my district and across the country. Tax reform should put middle-class families first. But after Republicans enacted the Tax Cuts and Jobs Act of 2017, many middle-class families found their tax burdens were higher than ever because they can no longer deduct the full value of their state and local taxes.

Last Congress, the House voted, not just once, but twice to lift the SALT deduction cap. And I thank the chairman for his leadership on this issue. In the 117th Congress we must continue to push for greater tax fairness for working-class families by raising or repealing this unfair cap.

I will soon reintroduce my legislation to increase the SALT cap from \$10,000 to \$15,000 for individual filers, and to eliminate the marriage penalty by allowing joint filers to deduct up to \$30,000 in state and local taxes. With this fix, the overwhelming majority of filers in my district could deduct the full value of their state and local taxes, ensuring the greatest benefit is extended to the middle class.

I encourage my colleagues to join me in putting middle-class families before corporations, and support a permanent fix to the cap on the SALT deduction.

Thank you again for having me. I look forward to working with you all to provide tax relief and make health care more affordable for working families. I yield back.

\*Chairman Neal. Let me point out that, on this anniversary, that the Ways and Means Committee wrote much of the legislation called the Affordable Care Act, and we remain exceedingly proud of what we did.

\*Ms. Underwood. Yes, sir, thank you.

\*Chairman Neal. Our next witness was to be Representative Graves of Louisiana. He was scheduled to testify. But my understanding is that this morning he decided to cancel.

We will now proceed to hear from our esteemed colleagues on the next panel of witnesses. We will begin with the gentleman from New Jersey.

Well, I believe we are going to begin with the gentlelady from Florida, Lois Frankel. Let me recognize the gentlelady for five minutes.

STATEMENT OF HON. LOIS FRANKEL, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

\*Ms. Frankel. Thank you, Chairman Neal, and Ranking Member, and all the committee members here.

You know, we are hearing a lot about building and repairing our roads and bridges. I am here to promote building and repairing our social infrastructure that will allow women, as well as men, to compete fairly in our economy.

As many of you may know, COVID-19 has exacerbated existing women's health and economic security issues. Women have lost over 12.2 million jobs in the past year, wiping out almost 10 years of gains in the labor market. Over 2.3 million women have dropped out of the labor force completely, and the child care industry has been hit hard.

As we build back from this pandemic, though, we must address the underlying issues that have caused the disparate outcomes for women. And I want to remind you that Equal Pay Day is tomorrow, which is the date that symbolizes how far into the year the average woman must work in order to earn what the average man earns in the previous year, regardless of experience or job type. And it -- actually, months in the future for women of color.

I -- the lack of economic priorities exasperated by numerous social and health issues -- and I am just going to mention a few today, and I urge the committee to take up and advance proposals in your jurisdiction that is going to improve the economic and health outcomes for women and families. The list is not inclusive. And let me say that all these proposals also help men.

Number one, make the Child Tax Credit expansion from the American Rescue Plan permanent. I thank the chair on this committee for getting that into the Rescue Plan in the first place. As you, I am sure, know, this is going to significantly affect women-led and minority households, and will lift the 27 million children out of poverty. One way to make this change permanent is to pass the American Family Act.

Please make long-term investments in the childcare industry. In order for parents of young children to go back to work, they need more than a job. They also need a safe, nurturing, affordable place to leave their sons and daughters. And even before COVID, child care had the challenges of low wages for workers and high cost to parents. And the COVID pandemic has put this industry on the brink of collapse.

A recent investigation of child care centers in 10 states found that 96 percent of the facilities were in need and repair. So please watch out for the Child Care Infrastructure Act, which would invest 10 billion in grants to improve the physical infrastructure of child care facilities. There will be separate requests, and I will go to the Education Committee and LH and -- and the Labor H Committee for an increase for child care, wages, and subsidies for parents.

I am also going to ask you to pass the medical and -- family and medical insurance leave -- that is called the Family Act -- and getting parents back to work and kids back to school, and ensuring that no parent ever has to choose between their family's health and their paycheck. Only 20 percent in the private sector workers have access to paid family leave. This is resulting in 22 -- over \$22 billion in wages each year due to missed work.

And let me just say -- and I think many of you all agree -- that paid leave not only boosts the economy, it has a range of individual and public health benefits. The Family Act would permanently guarantee up to 12 weeks of paid leave for all employees: medical conditions, arrival of a new child, care for a family member -- and with support to make this benefit affordable for small businesses.

Next, combat sexual harassment. One in three women have reported enduring sexual harassment during her career. For many women, harassment leads them to leaving their position, occupation, or industry. Watch out, please. Hopefully, we will get to you the Empower Act, which has a number of issues in it to reduce sexual harassment.

And finally, I want to talk today about assuring equal access to abortion. All women, regardless of income or zip code, should be in control of their reproductive destiny. And the EACH Act would ensure that all women can access their constitutional right to abortion. It would require public health insurance programs, including Medicaid, Medicare, and CHIP, as well as government-sponsored plans for federal employees to cover abortion and prohibit restrictions on private plans to cover abortion services.

Well, that is just a few. I have 13 seconds to go. Those are a few of the issues. But the whole point is this: we have a long way to go to get women back to be able to have the economic success that we deserve and our families need. And I know you will help us do it.

Thank you, Mr. Chair, I yield back.

\*Chairman Neal. I thank the gentlelady.

Let me recognize the gentleman from Minnesota, Congressman Phillips, for five minutes.



STATEMENT OF HON. DEAN PHILLIPS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF MINNESOTA

\*Mr. Phillips. Thank you, Chairman Neal and members of the committee, for the opportunity to share with you some of the issues of great importance to the people and businesses in my district, Minnesota's 3rd.

I will begin with our relationship with China, and I applaud both the significant de-escalation of tension in the global trading environment since President Biden has taken office; and our re-engagement with the WTO, which has surely lowered the temperature in our trade disputes with our EU partners; and remaining committed to addressing China's unreasonable and very discriminatory trade practices in a thoughtful, strategic, and, most importantly, an effective manner.

Yet in the time since I last sat with all of you on this committee one year ago, businesses across my district, both large and small, are still hurting, many of them barely hanging on. And not only from the pandemic, mind you, but from the continued inaction by both the Biden Administration and our Congress. And I am well aware that strategic and forward-thinking policies cannot be developed and implemented overnight. But we cannot continue to drag our feet on policies of such consequence to the people, the businesses, and the prosperity of our country and our communities.

Our constituents, in my estimation, should not be bearing the brunt of our trade war with China. And I am hopeful that Representative Tai, who I remember fondly from her days as chief trade counsel on this very committee, will work swiftly and intently with Congress to be tough on China, while

ensuring that American workers are not penalized for China's unfair trade practices.

As an example, one small business in my district had a tariff exclusion for a period of time, but in January, suddenly, it went back up to 25 percent. And their words to me were ones I am sure you have heard from many businesses in your districts, and they were simple, but clear: It is making it really hard for a small business like ours to remain competitive. So I believe the U.S. should be promoting entrepreneurship, not stifling it.

Additionally, I think the committee should prioritize the reauthorization of the Miscellaneous Tariff Bill and the General System of Preferences program. And I wholeheartedly support the committee's efforts to modernize these programs by including provisions that strengthen our efforts to combat climate change and fight human rights abuses across the globe. However, these programs are instrumental to the success of many businesses in my district, and any further delay will only cause more hardship.

Over the past year our country has endured a brutal pandemic, and this tested business owners and employees and all Americans in challenging ways. One issue that has been the subject of debate is the question of raising the federal minimum wage. It is my core belief that all working Americans who live on wages that they earn be paid one on which they can survive. It is not just good for humanity, it is good for our economy. And I believe that consumption is the engine of our economy, that money in people's pockets is its fuel.

However, I am troubled that, in a year when small businesses are on the ropes, the economy has been struggling, so many people out of work, that the

Raise the Wage Act was added to the American Rescue Plan in a process that, in my estimation, left out the voices of small businesses, and offered no chance for them to provide thoughtful feedback to us, and so that Members on both sides of the aisle can offer constructive feedback and amendments to the policy.

As chairman of the House Small Business Subcommittee on Oversight and Regulation, my first hearing a couple of weeks ago invited small business owners and economists to share some solutions that would mitigate the harmful effects of the policy, while maximizing the positive impacts of raising the wage for millions of Americans. So I urge the committee to take up a targeted tax relief for small business policy that would allow the country to steadily increase the minimum wage, but protect jobs and protect the businesses that provide them.

Next I want to talk about the SALT deduction. In Minnesota we pride ourselves on very high quality state and local services, including schools, and hospitals, and social services. But we are only able to do this through higher state and local taxes paid by fellow Minnesotans. And that is why the \$10,000 cap that was placed on state and local taxes in the latest tax law in 2017 was a real blow to Minnesotans all throughout our state.

According to the most recent IRS data, 1 in 3 Minnesota taxpayers claimed a SALT deduction, for an average of \$13,100. And now people across my community are feeling the consequences of the new caps. They are seeing smaller refunds and, perhaps most importantly, charitable giving, on which so many of our communities rely, is certain to continue to decline.

And I don't believe there is any reason for Minnesotans to pay more

than their fair share of taxes to support state governments and other parts of the country that freeload off of American taxpayers, while denying their own citizens basic social services. That is why I am a proud cosponsor of Rep. Suozzi SALT Deductability Act, and I hope the committee makes this a priority in the 117th Congress.

In closing, Mr. Chairman, I ask that the committee be mindful of higher-tax states like mine that prioritize investment in our children, our infrastructure, our parks, our communities, and our residents.

I appreciate the invitation to testify today, and stand ready to partner with you on any of these missions in any way I can. Thank you, sir, and I yield back.

\*Chairman Neal. I thank the gentleman. So what we are going to do now is that -- some of our witnesses are experiencing some technical difficulties. So we are just going to take a really brief recess, and we are going to resume quickly, as these issues are resolved.

[Recess.]

\*Chairman Neal. So we will call the committee back to order. I believe a couple of the technical challenges that we had have been, indeed, corrected.

So let me recognize the gentleman from New Jersey, Mr. Malinowski, for the purposes of five minutes.

\*Mr. Malinowski. Thank you, Mr. Chairman. Can you hear me now?

\*Chairman Neal. I can hear you.

\*Mr. Malinowski. Wonderful.

STATEMENT OF HON. TOM MALINOWSKI, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW JERSEY

\*Mr. Malinowski. Thank you so, so much for holding this hearing, and for having me. I would like to use my time today, on behalf of the 7th district of New Jersey, to urge reinstating the full State and Local Tax deduction.

As you know, last Congress we passed the bipartisan Restoring Tax Fairness for States and Localities Act to eliminate the SALT cap. And thank you again so much for your support in that effort.

Unfortunately, the Senate majority leader buried that legislation in his legislative graveyard. So this year, as some of the tax cuts from the 2017 tax bill begin to expire, we have a chance to right this wrong. To put it succinctly, any tax reform body -- any tax reform package this body takes up must include a restoration of the SALT deduction. The pandemic and the economic crisis make that request all the more urgent.

Now, in my district, over 53 percent of taxpayers took the SALT deduction when it was last available. The typical family in New Jersey lost around \$9,000 in deductions due to the cap. In my district the number is \$16,000. How do we defend that?

One argument that has been made is that these are mostly wealthy taxpayers, and that is simply not true. In New Jersey they are teachers, they are firefighters, they are small business owners, they are young families who are purchasing their first home, seniors who want to retire in theirs. According to our Society of Certified Public Accountant in New Jersey, more

than 60 percent of their individual and family clients making under \$200,000 a year were affected by the cap.

How do we justify this when so many others, who are actually wealthy, benefitted so much from the 2017 tax bill?

How do we defend it when the effective corporate tax rate in America has dropped to 12 percent as a result of that bill, when large, profitable corporations like Zoom report paying absolutely no taxes?

Now, there is another argument made, and this is one of the hardest of all for my constituents to stomach, and that is that the SALT deduction is some kind of special subsidy for high-tax states, one that taxpayers in other states shouldn't have to pay. Well, the reality is that the states hardest hit by the SALT cap are also the states that give the most to our federal budget, while getting the least back. Depending on what estimates you choose, New Jersey gets between \$.79 and \$.91 back from the Federal Government for every dollar we send in taxes. In these days of massive deficit spending, there is no federal deficit, from the point of view of New Jersey.

Now, we don't mind helping kids in other states get a better education, or helping folks around the country get better health care, or contributing to our national defense by supporting bases in the South or West. Because, after all, we are one country. We are all Americans. We all benefit from those things. But what my middle-class constituents do mind is politicians from those states then taking away one of the only benefits we got in the federal tax code, and then trying to justify it with an argument that they don't want to subsidize us.

Now, finally, I just want everyone to think about what our state and

local taxes support. In New Jersey they mostly support education for our kids. And we make these contributions -- that is what they are, contributions -- to ensure that every child in our communities has an equal chance to succeed. And now those contributions are being taxed. Everybody gets hurt by that, in my state and all around the country, not just the people who lost their deductions.

Mr. Chairman, at every public event I hold in my district, no matter the topic, no matter how urgent the crisis we are currently facing with COVID, my constituents continue to ask me about restoring the SALT deduction. They want to know when Congress will fix this injustice. So I implore the committee to make it a priority in this Congress to restore the deduction, to lift the cap, provide real relief to middle-class taxpayers in my district and across the country.

Thank you again so very much. I yield back.



\*Chairman Neal. I thank the gentleman. Representative Hagedorn had been scheduled to appear. He decided to decline the invitation this morning.

With that let me recognize the gentleman --

[Audio malfunction.]

\*Chairman Neal. Let me -- okay, let me proceed to the next panel here. Let me recognize my friend, the gentleman from Rhode Island, Mr. Langevin, for five minutes.

STATEMENT OF HON. JIM LANGEVIN, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF RHODE ISLAND

\*Mr. Langevin. Good morning, Mr. Chairman and members of the committee, and the ranking member, Ranking Member Brady. I want to thank you for the opportunity to testify before your committee this morning.

Today I would like to draw your attention to two areas where I believe the needs of American families are not being met, but where we can make a difference. That is the provision of post-adoption mental health services, and the unequal treatment of parents with disabilities in the child welfare system.

So on any given day, Mr. Chairman and members of the committee, there are some 424,000 youth living in foster care in the United States. They all deserve to find permanent, safe, and caring homes. But for some 28 percent, or 114,000 children, their long-term placement goal is adoption.

Unfortunately, studies have shown that at least 10 percent of adoptions dissolve after they are finalized, forcing you to return to the foster care system. All too often, adoptions dissolve, sadly, because a family is unable to cope with their adopted child's behavior or mental health issues stemming from past trauma.

Many children in foster care, particularly those who cannot be reunited with their parents, sadly, experienced abuse, neglect, or other trauma, leaving them with severe mental health challenges. Adopted children require ongoing supports, including mental health services, to successfully transition out of care. Too many families are left without these crucial supports, and must address these challenges, unfortunately, alone.

Research indicates that less than half of adoptive families who report needed mental health services are actually able to receive them. That needs to change, Mr. Chairman. In the most extreme cases, GAO has found that families may resort to what is called the unregulated custody transfer, or re-homing, if they are unable to properly meet the child's mental health needs, and they no longer feel that they can continue with the adoption.

A Reuters investigation found that unregulated custody transfers are often untraceable, leaving children vulnerable to additional abuse without oversight from the child welfare system.

So it is clear that adopted children struggling with the mental health consequences of previous trauma need more resources, along with their adoptive families, to ensure that their adoptive families can provide funding. This Congress I plan to reintroduce the Supporting Adopted Children and Families Act, which would authorize a new grant program for developing and implementing post-adoption mental health services. These grants would be authorized under the Promoting Safe and Stable Families program found in title 4(b), subpart 2 of the Social Security Act, placing it under the jurisdiction of the Committee on Ways and Means.

So I ask the chairman and ranking member and the members of the committee to join me in improving the adoption permanency rates by increasing access to post-adoption mental health services.

The other issue that I would like to bring to the committee's attention is the unequal treatment of the approximately 4.1 million parents with disabilities across the country. As discussed in the National Council on Disabilities report, "Rocking the Cradle: Ensuring the Rights of Parents with

Disabilities and their Children," both the Americans with Disabilities Act and section 504 of the Rehabilitation Act apply to the child welfare system. Yet, nationally, parents with psychiatric or intellectual disabilities are believed to have their parental rights terminated by up to 80 percent of the time.

Additionally, deaf and blind communities report interaction with the child welfare agencies well above the baseline, and parents with disabilities are more likely to lose custody of their child after divorce.

Despite children and parents with disabilities overwhelmingly reporting greater compassion and tolerance, enhanced resourcefulness, and problem-solving skills, stronger family bonds, and other positive developmental outcomes, they continue to be disproportionately targeted by child welfare agencies for interventions.

In fact, over 30 states currently list disability as jurisdiction -- justification for termination of parental rights, and proceedings to terminate parental rights are often undertaken even in states where disability is not included as grounds for doing so. These terminations have serious permanent consequences for the families involved. The legal -- parent/child relationship is -- children can immediately be put up for adoption, and they never see their biological parents again.

Mr. Chairman, this Congress I intend to introduce legislation that strengthens the accessibility of the child welfare system by requiring state plans for child welfare services, which are authorized under the Social Security Act, to include support for parents and guardians with disabilities as they navigate child welfare proceedings, and ensure parents with disabilities receive an individualized, fact-based evaluation for their capabilities.

These changes will ensure that parents with disabilities are judged on their ability to parent, not their physical or intellectual disability. I hope that -- to have the committee's support in addressing these challenges with the child welfare system.

So with that I thank you again, Chairman Neal and Ranking Member Brady, for the opportunity to share these issues today, and for your consideration of these critical legislative solutions.

Thank you, and I yield back.

\*Chairman Neal. I thank the gentleman.

Let me now recognize the gentleman from the Northern Mariana Islands, Congressman Gregorio Sablan.

STATEMENT OF HON. GREGORIO KILILI CAMACHO SABLAN, A  
DELEGATE IN CONGRESS FROM THE TERRITORY OF THE  
NORTHERN MARIANA ISLANDS

\*Mr. Sablan. Oh, thank you. Thank you very much, and good morning from the Northern Mariana Islands -- for me, meaning it is 1:00 in the morning, your tomorrow.

But Chairman Neal, Ranking Member Brady, thank you for the opportunity to address the committee on the policies under your jurisdiction that most affect my constituents in the Northern Mariana Islands.

First, let me thank you, Chairmen Neal, Thompson, Pascrell, and Davis, and all the members of the committee for your work on the American Rescue Plan Act.

Specifically, thank you for providing the Marianas with the permanent cover-over of the cost of the Earned Income Tax Credit. Families in the Marianas have long been denied this incentive to work that is available to other Americans. So those days are now over.

Thank you also for including in the Rescue Plan, at my request, authority for the governor of the Marianas to pay the increased child tax credit monthly, and funding to cover the administrative costs. If the governor uses this option, it would have a significant impact on the wellbeing of children in the Marianas. Funding the Earned Income Tax Credit, increasing the Child Tax Credit, and making it payable monthly, that is all great news for Marianas' families struggling to get through this pandemic.

But one thing we can count on, Chairman Neal, is that the coronavirus

will not be the last disaster to strike.

And there is one more program under your jurisdiction that helps families in times of crisis, and which is not available to the Northern Marianas families that I represent. I am talking about TANF, the Temporary Assistance to Needy Families. I should mention that the Northern Marianas is the only United States territory, the only jurisdiction, not eligible for TANF, which makes the argument for you to act even stronger.

There are any number of federal programs that are available to states, but not territories, but few, I might add, besides TANF, where all states and territories except one, the Northern Marianas, are left out. Recognizing the need to fix that disparity, the committee worked with my office to make the Marianas eligible for some of the \$75 million set aside for territories and tribal areas in the TANF Pandemic Emergency Assistance Fund in the Rescue Plan. That huge acknowledgment of the need to include the Marianas in TANF now needs to be followed up with legislation making my district permanently eligible for annual TANF funding.

And so, to that end, I have introduced H.R. 1773, the Northern Mariana Islands Family -- Northern Marianas Family Assistance Act. My bill makes the necessary amendments to extend the benefits of TANF for the Marianas not just once, as in the Rescue Plan, but year after year, so that working families with children under pressure from the pandemic or other natural disasters, or just the normal economic ups and downs, can continue to put food on the table and have a roof over their head.

I would urge the committee to please take up my bill and correct this anomaly, that the Marianas alone does not have access to TANF.



Again, I thank the committee for your work to benefit the Marianas and all Americans in the American Rescue Plan. And I thank you, Chairman Neal, and the members of this committee, for your friendship and care for the people I represent. Thank you very much for this opportunity to speak up.

\*Chairman Neal. I want to thank the gentleman for either staying up late or getting up early. That is pretty good, 1:00.

\*Mr. Sablan. No problem. My pleasure.

\*Chairman Neal. Thank you. So with that let me recognize the gentleman from New Jersey, Mr. Gottheimer, for five minutes.

STATEMENT OF HON. JOSH GOTTHEIMER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW JERSEY

\*Mr. Gottheimer. Thank you, Mr. Chairman and Ranking Member Brady, and members of the committee. Thank you for holding this critical Members' Day hearing on one of the most important issues to the 5th district of New Jersey, reinstating the State and Local Tax deduction, also known as SALT.

Four years ago, a double-taxation grenade was lobbed at Jersey and other high-tax states by the moocher states, and the partisan tax hike bill of 2017. The red states made out like bandits, and got a bunch of tax relief for themselves. And we in Jersey paid the price for it with federal tax hikes. In fact, the only way they footed the bill was to gut the State and Local Tax deduction, capping it at \$10,000, whacking us in Jersey with a massive tax hike on our families and businesses.

Not applying double taxation on the same income was established at the beginning of our nation's modern federal tax system in 1913. And this foundational belief remained true for 104 years, until the 2017 tax hike bill took more than \$660 billion out of the pockets of hardworking Americans in the SALT states to pay for tax cuts for the moocher states.

Gutting SALT has had a real impact on districts like mine. All four counties I represent had an average SALT claim above the \$10,000 cap, effectively raising taxes for a majority of my residents. Before the new cap, in Warren County the average deduction was 12,588; in Sussex, 14,267; in Passaic, 14,714; and finally, in Bergen County, the majority of my district, the

average taxpayer claimed \$24,783 in state and local taxes, more than half of which is now subject to double taxation under the new law.

New Jersey is one of the greatest places in the world to raise a family, but it is difficult for retirees to stay there, and especially after kids leave for college. According to the Tax Foundation, Jersey residents pay the second-highest property taxes in the entire nation. Our taxes are too high. They should be cut, not raised. Younger workers and businesses are moving out. Our business owners tell me that it is getting harder every year to attract talent to the state. In fact, U-Haul reports that Jersey is one of the states that lost the most residents last year. Census data shows this. And one of the top reasons is because taxes are too high, and the elimination of SALT.

Higher taxes are stifling economic growth for our region and decreasing property values, which are already falling. According to Mark Zandi, the chief economist for Moody's, the SALT cap has cost homeowners \$1 trillion in U.S. home value, nationwide. And a recent Zillow study drew a similar conclusion. Since the tax hike bill, home values in low SALT states are rising much, much higher and faster than in SALT states like mine.

As we all know, Jersey was in the eye of the COVID storm last spring, and the public health measures taken to help stop the spread of the virus have hurt small businesses in my state. Unfortunately, almost a third have closed permanently.

The latest relief package is providing immediate help, but removing the SALT cap would be a tested method to provide additional relief to communities ravaged by the pandemic. It is why I am working with my dear friend, Congressman Tom Suozzi, and the great Bill Pascrell from Jersey to

introduce the SALT Tax Deductibility Act, bipartisan legislation to restore the full State and Local Tax deduction.

It is clear removing the SALT cap has broad, bipartisan support. The House already passed the cap -- the SALT cap repeal three times, including as part of two previous COVID-19 relief packages. It is time for both sides, Democrats and Republicans, to work together. Get this done. It is common sense. We can reinstate SALT, cut taxes, and give a tax break to our hardworking middle-class families.

Thank you so much, Mr. Chairman, for your leadership on the committee, and for having me here today.

I am grateful to you.

\*Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from Minnesota, Congresswoman Angie Craig, for five minutes.

STATEMENT OF HON. ANGIE CRAIG, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF MINNESOTA

\*Ms. Craig. Well, thank you so much, Chairman Neal, for recognizing me, and also for holding this Members' Day hearing. I would like to focus my testimony on a few key priority areas, and also thank you for all that we have done together over the past two years on behalf of my constituents in Minnesota's 2nd congressional district.

First and foremost, thank you and your staff for your diligent work to ensure that the House took action to correct a major issue with the CARES Act, and significantly expand the definition of "dependent" in our subsequent relief package. There was widespread and bipartisan recognition that, limiting the benefit to dependents only 16 years old and younger, needlessly left millions of American families from their critical aid. Our partnership was critical also to push forward the text of the All Dependent Children Count Act, and to ensure an additional 1,400 per dependent, regardless of age.

I am also pleased we were able to deliver key relief to struggling multi-employer pension plans through the American Rescue Plan, providing retirement security for the union workers in my congressional district who put in honest work throughout their careers, only to see their pensions benefit significantly -- significantly at risk was a huge accomplishment.

And by advancing my colleague, Representative Underwood's, Health Care Affordability Act as part of the American Rescue Plan, over 44,000 uninsured Minnesotans will be newly eligible for health care coverage savings.

On the topic of health care, I think it is notable that today we are commemorating the 11-year anniversary of the Affordable Care Act. It is my number-one priority, and an issue I hear about every day from my constituents. If health care is not affordable, it is not accessible.

Democrats should rightfully celebrate the work we have done to lower Americans' health care costs, expand coverage, and address racial disparities in health care. We have gained protections for 135 million Americans with preexisting conditions, lowered drug costs for nearly 12 million seniors, and provided key support for rural hospitals through the Affordable Care Act.

As a member of the Energy and Commerce Committee and Subcommittee on Health, I am eager to partner with you to help move another legislative priority similar to last Congress's H.R. 1425, the Patient Protection and Affordable Care Enhancement Act, this year.

Additionally, we need to continue our cross-committee work to fully support our family farmers. As a member of E&C with a strong ag district I have been particularly focused on Minnesota's biofuel and biodiesel industries that are powered by the farmers in my congressional district.

Today Congress and the Administration are looking to the tax code to help achieve ambitious climate goals, and rightfully so. In this effort we should not phase out or disadvantage biodiesel, which is working today to reduce carbon emissions. I would urge the committee to ensure parity for biodiesel, particularly as you consider tax incentives for other technologies or uses, such as electric vehicles or sustainable aviation fuel. Biodiesel should receive equal treatment to ensure the ability to thrive, grow, and further decarbonize the hard-to-electrify segments of our transportation sector.



I would also like to conclude by calling attention to two other key matters before the committee.

The first is a renewed effort on the State and Local Tax deduction, the SALT deduction. I was pleased to support the effort last Congress to fix the harmful effects of the Republican tax law from 2017.

This Congress I backed the proposal from Ways and Means member, Mr. Suozzi, the H.R. -- the SALT Deductibility Act, H.R. 613, which is bipartisan legislation to restore the full SALT deduction. His proposal would allow taxpayers to fully deduct their state and local taxes on federal income returns.

The other is consideration of ways we can strengthen and shore up Social Security for millions of seniors relying on this critical retirement security.

I support Representative Rodney Davis's Social Security Fairness Act of 2021 to eliminate the windfall elimination provision and the government pension offset. I understand you are working on your own proposal on the windfall elimination provision, and hope that this matter will be advanced by the full committee this Congress.

I look forward to continuing to work with you and your outstanding staff on the committee to address the implementation of the American Rescue Plan and the numerous outstanding items under consideration before the committee.

Mr. Neal, thank you so much for your work, and I yield back.

\*Chairman Neal. I thank the gentlelady. We are now prepared to proceed to panel four. So we are going to pause, but for a moment, to let members onto the platform.

[Pause.]

\*Chairman Neal. Thanks to modern technology, we are now prepared to proceed. So let me recognize the gentlelady from California, Congresswoman Julia Brownley, for five minutes.

STATEMENT OF HON. JULIA BROWNLEY, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

\*Ms. Brownley. Okay, oops, let me unmute my -- thank you, Mr. Chairman, and good morning. Thank you for holding this Members' Day hearing to provide many of us the opportunity to discuss several of our bills. I appreciate all the hard work you and other committee members are doing to improve the federal tax code in order to make it more fair for working families. I also share your strong commitment to ensuring the tax code incentivizes clean, renewable energy, and that it promotes home ownership. These are the issues I want to discuss with you today.

As you may know, I recently reintroduced the Sustainable Aviation Fuel Act, H.R. 741, legislation to help the aviation industry reduce carbon emissions. Sustainable aviation fuel, or SAF, is a crucial tool for achieving our climate goals.

While surface transportation modes have made great strides with zero-emission technologies, the aviation industry will continue to be reliant on liquid fuels in the near term. SAF is a proven liquid fuel alternative made from sustainable feedstocks that meets both safety requirements, and addresses environmental concerns. The problem is commercial-scale production is only in its infancy, and needs a boost.

My bill would jumpstart SAF production by providing needed federal policy support, including a blenders tax credit and an investment tax credit.

First, the blenders credit is necessary for SAF to compete on a level playing field with renewable diesel, which is produced using the same

feedstocks. Currently, renewable diesel is marginally cheaper to produce than SAF, and it enjoys policy incentives that SAF does not.

However, ground transportation has better options to decarbonize than aviation does, namely through electrification and fuel cells. A blenders tax credit would level the playing field by creating cost parity. In my bill the value of the credit is also pegged to emissions reductions, incentivizing production towards greater carbon reductions.

Second, my bill will create a new investment tax credit, which will help lower costs for large-scale investments in SAF production and distribution.

I have spoken with many aviation and energy industry experts, as well as environmental advocates who have made clear that we need both credits. Independent government experts have concurred. In fact, a recent analysis published by the National Renewable Energy Laboratory shows that combining these credits would dramatically increase SAF production and decrease emissions by millions of metric tons by 2040.

Therefore, I would hope you and the committee will advance this bill and put the aviation sector on course to dramatically reduce their carbon footprint.

I also want to extend my sincere thanks to your staff, who have been generous with their time and technical assistance to put this bill together.

Pivoting now a bit, I would like -- I would also like to discuss the important role that tax policy plays in helping Americans achieve the dream of home ownership, which is also critical for a secure retirement.

For many years the committee has included provisions in the annual tax extenders package that allow homeowners to deduct mortgage and insurance

premiums, as well as a provision to exclude mortgage debt forgiveness from taxable income. As you well know, deducting mortgage insurance premiums helps make first-time home ownership affordable for those who may not have a 20 percent downpayment. And for families at risk of foreclosure, the mortgage debt forgiveness provision helps families refinance and prevent foreclosure, allowing them to stay in their homes.

The COVID-19 pandemic has created economic chaos for millions of American families. As our nation battles this pandemic, we must take action to ensure a new foreclosure crisis does not take hold. Making these two tax provisions permanent law would provide security for Americans struggling to afford to keep their homes. I urge the committee to take action to make these provisions permanent law.

And finally, I have deep concerns about a provision of the 2017 GOP tax law which limited the ability of individuals to deduct uninsured property and casualty losses. When someone's home is destroyed by a fire, flood, tornado, or hurricane, the federal tax code should not discriminate based on whether the loss was part of a presidentially-declared disaster. Property owners should be able to deduct those losses, period.

In December 2017 my district was devastated by the Thomas fire, which at the time was the largest fire in California history, burning over 280,000 acres, destroying over 1,000 buildings, and, sadly, lives were lost. However, when California initially applied for a major disaster declaration, the state's application was denied. It was not until a devastating and deadly mudslide in Montecito occurred that a major disaster declaration was finally made. What we learned was that many families were under-insured. They

purchased homes in the 1980s or 1990s, but their insurance coverage had not been updating.

Losing a home is bad enough, but to compound that with a new -- with new tax penalties that the 2017 law imposed would have been horrible.

I urge the committee to repeal this ill-conceived provision.

Again, I thank you and the committee for your time this morning. And Mr. Chairman, I yield back.

\*Chairman Neal. I thank the gentlelady.

Let me recognize the gentleman from California, Congressman Scott Peters, for five minutes.

STATEMENT OF HON. SCOTT PETERS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

\*Mr. Peters. Thank you, Chairman Neal and Ranking Member Brady, for holding today's Members' Day. I would like to discuss what must be a central component of our national strategy to combat climate change, and the one that is most squarely within the jurisdiction of this committee, and that is a price on carbon.

At the outset, nobody argues that a carbon tax is a silver bullet that solves the problem on its own. But a price on carbon is an indispensable component to solving the problem. It is a price signal to every economic actor, an immediate monetary incentive for Americans to reduce the use of fossil fuels and reduce carbon emissions by driving less, carpooling, or using transit, buying smaller cars, upgrading to more efficient equipment, or weatherproofing our homes and businesses to save on heating and cooling.

Five points.

First, it is the right climate incentive policy. Thousands of economists have endorsed a carbon tax, including now-Secretary of Treasury Janet Yellen. So have the scientists at the National Academies of Science. They view a price on carbon as a more efficient and effective economic signal for making emission cuts in all sectors than the tax incentives that we have employed for some industries, but not for others. While some of these tax incentives have been useful at hastening the development and deployment of low-carbon technologies, alone they are insufficient to meet our climate challenge.



Two, it is the right pay-for. We have talked at length in Congress about an ambitious multi-trillion-dollar infrastructure initiative. And historically, we have funded those programs by raising the federal gasoline tax. We could raise that tax again. But at this point, an upstream carbon tax makes much more sense. We still provide funding through an energy use tax, but we also incentivize conservation and innovation in a technology-neutral way that will itself reduce the generation of greenhouse gases.

Third, it can and should be designed for equity. Some worry that a carbon tax is regressive -- like the gasoline tax, by the way -- but most proposals in Congress for a carbon tax contemplate the refund of a portion of the revenues to individuals in disadvantaged communities, including urban and farm communities that don't have ready alternatives or can't afford increased energy prices.

Let's not pretend that building infrastructure or confronting the climate crisis will be free for anyone, but it is entirely within our power to make our taxes equitable. And with respect to disadvantaged communities, let's not discount the cost of not acting to those communities. People in low-income communities are disproportionately exposed to air pollution-linked asthma, cancer, and other health issues. A price on carbon that slows the rate of climate change does the most good for the communities that are most harmed by climate change today.

Fourth, it is essential to American world leadership on climate and trade. Those of us who represented the United States at the UN Climate Change Conference, COP 25, in Madrid heard this over and over from economists and heads of state alike. They say markets need clear price

signals to transition to a low-carbon economy. And we need to get our own American house in order on carbon pricing if we are going to presume to tell the rest of the world how to behave on climate policy.

If the U.S. implemented border adjustment without a national price on carbon, it could be seen as a protectionist tariff in disguise. And in all likelihood, the EU will levy carbon tariffs on us if we fail to implement our own carbon price. So our country's competitiveness could decline if the U.S. fails to put -- to implement a carbon tax.

And fifth, it is the most politically feasible climate strategy. Some have expressed concern that a carbon tax is too difficult to achieve politically, but that is entirely misplaced. Economists and scientists have long agreed that we need to put a price on carbon, so we have the facts. Democrats have long favored carbon pricing, either through cap and trade or a direct carbon tax. Nearly 90 Democrats cosponsored Congressman Deutch's carbon tax bill last session. But now Republicans and industry stakeholders are coming on board, as well.

The Climate Leadership Council, led by Republicans Hank Paulson and James Baker, has proposed a tax and dividend endorsed, as you are certainly aware, by the national organization Citizens Climate Lobby. And if implemented today, CLC's plan would cut emissions in half by 2035, as compared to 2005 levels.

Senator Mitt Romney says he is compelled by the CLC's bipartisan roadmap, and has spoken in favor of economic incentives to adopt and develop new technologies to reduce carbon emissions.

The U.S. Chamber of Commerce has come out in favor of a market-

based approach to reduce greenhouse gas emissions.

And it has even been reported that the American Petroleum Institute might soon endorse a price on carbon.

With this new openness to considering a carbon tax among industry and Republicans, it is irresponsible to dismiss the idea because of so-called political difficulties. Are we so out of practice in bipartisan lawmaking that we cannot see this tremendous opening?

Now is our chance to harness growing support from Republicans and businesses, along with scientists, economists, and Democrats to enact one of our best shots at saving the planet. We need to change the behavior of every decision-maker throughout the economy, from the largest corporation to each of us as individuals. A price on carbon is indispensable. We can't save the planet nor compete in a global economy without one.

Thank you for having this hearing, and be well.

\*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Oregon, Mr. Schneider --  
Schrader, for five minutes.

Kurt, you are on.

STATEMENT OF HON. KURT SCHRADER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF OREGON

\*Mr. Schrader. Hey, thank you, Mr. Chairman. I really appreciate it. This is a great opportunity to speak to Ways and Means folks here about my bill, the Medicare Enrollment Protection Act, which was introduced in the 116th Congress as H.R. 2564, and its common-sense fix to the unnecessarily burdensome situation some of our constituents find themselves in when enrolling in Medicare part B.

A constituent of mine, Bill Bergere, came to me when, previously unknown to him, he was facing steep penalties as he tried to enroll in Medicare part B. Like many working Americans in this day and age, he worked past 65, he was offered a voluntary retirement package that -- from his employer that included the ability to stay on the company's health insurance plan for an additional couple of years.

In Mr. Bergere's case, he even asked the right questions, you know, whether he would be able to switch to Medicare at the end of COBRA coverage. And he got the wrong answer, being assured he would, and he was -- that -- being assured he would, he stayed on the COBRA coverage, only to find out that, when his COBRA coverage expired, months before the next general enrollment period, that he was subject to late enrollment penalties for each of those months, when he was over the age of 65 and had been utilizing the COBRA.

Many seniors, frankly, all too frequently find the same penalties, accumulating months of penalties for not having accidentally enrolled in

Medicare part B while maintaining alternate forms of coverage. Like -- for folks like Bill Bergere, this is not because they had a lapse in health care coverage, it is just that they had coverage and there was no enrollment period that helped them when that lapsed.

In 2019 MedPAC estimated that, based on 2016 data, 800,000 beneficiaries are paying late enrollment penalties in part B, with up to 20 percent not knowing they would be paying penalties. Current lifetime penalties are 10 percent of premiums for every 12-month period that someone is not enrolled, and the average penalty is 31 percent of the premium. No small amount of money for most seniors on fixed incomes.

My bill would build on your committee's efforts in addressing late enrollment issues with the passage of the BENES Act last Congress, and create a new special enrollment period for seniors who maintain COBRA coverage after the age of 65, so they can enroll in Medicare part B without facing those lifetime penalties.

In 2019 MedPAC released a report making recommendations to Congress to create a special enrollment period waiving late enrollment penalties for those who fail to enroll in part B because they have had coverage through COBRA or the exchanges. It is long overdue for Congress to take action, I think, on this important issue.

My bill has long had a history of bipartisan support. I have worked with numerous stakeholders to improve the language over the last few years, and we are going to be enrolling Medicare Enrollment Protection Act in the coming weeks with my colleague, Mr. Gus Bilirakis, Representative Bilirakis, like we did last year.

Last Congress this bill went through regular order, now on the Energy and Commerce Committee, culminating in a full committee markup this past September. It received technical assistance from CMS and DOL, as well as feedback from CBO. It is ready to go. Unfortunately, there are other committees of jurisdiction, Mr. Chairman.

With a score of low tens of millions of dollars, there are very few barriers to having this bill on the House floor. For the first time ever there will be a Senate counterpart, and I am hopeful that we may finally put this issue to rest, and something will be signed into law this Congress.

My staff has had productive conversations throughout the last year with your staff on the policy. I am looking forward to working with you closely, and moving this bill not just out of Energy and Commerce, but also Ways and Means. We remain amenable to all sorts of feedback. We welcome the opportunity to address any concerns you or your committee may have. Given the tri-committee referral, we are here to ask for your committee's support in moving this bill forward.

Hey, I appreciate the opportunity and time for making some comments, and pushing our opportunity to help folks that have missed health care through no fault of their own. And I yield back, Mr. Chairman,

\*Chairman Neal. I thank the gentleman very much, and we also regret at the Ways and Means Committee that there are other committees with that jurisdiction.

So with that, let me recognize the gentlelady from Ohio, Congresswoman Beatty, for five minutes.

[Pause.]

\*Chairman Neal. With the gentlelady unmute?

[Pause.]

\*Mrs. Beatty. Can you hear me now?

\*Chairman Neal. I can hear you.

\*Mrs. Beatty. All right, thank you.



STATEMENT OF HON. JOYCE BEATTY, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF OHIO

\*Mrs. Beatty. Thank you, Chairman Neal, Ranking Member Brady, and all of the members of the committee, for allowing me to testify before you today. I appreciate the work that the committee has done throughout the pandemic, from providing direct stimulus checks to expanding the Child Tax Credit to aid families who most are in need.

I know you remain focused on the big problems that Americans will continue to face until we are on the other side of this health and economic crisis. That is why I want to raise your attention to an issue that may not be on your radar.

As someone who believes in the value of education, and wants to see our students back in the classroom at every level, education infrastructure should be a priority for this committee. Specifically, I want to raise your attention and consideration to the issue of collegiate housing. Housing is one of the largest expenses students incur while attending colleges and universities. In fact, room and board expenses outweigh the cost of tuition at most public universities.

There is a multi-billion-dollar, not-for-profit student housing market in this country, spread across thousands of properties nationwide, and housing hundreds of thousands of college students each year. As a committee, you can help reduce the financial burden of collegiate housing for some students by supporting not-for-profit student housing by including the Collegiate Housing and Infrastructure Act in our upcoming infrastructure bill.

The Collegiate Housing and Infrastructure Act, or CHIA, would allow not-for-profit student housing providers, such as fraternities and sororities, to maintain their tax-exempt status, and use tax-deductible charitable contributions towards building, maintaining, or improving their student housing.

Those not-for-profit student housing entities have suffered significant losses in the two academic years of COVID-19, as they refunded students midway through the spring term of 2020, and face significant challenges in revenue loss due to reduced occupancy. The money they save through this bill would go -- help keep these entities financially viable during the COVID recovery period and into the long term.

Passing CHIA would help address an over \$1 billion capital improvement backlog in the not-for-profit student housing industry. These projects include critical safety upgrades to older houses, investment in energy efficiency, and other projects that translate to small business jobs for plumbers, and roofers, and carpenters, electricians, contractors, and, as you can imagine, the list goes on.

It will help take us -- it will help take decade-old housings and make it greener, which is consistent with the objectives of this broader infrastructure package.

I understand that our colleague, Stephanie Murphy, and Brad Wenstrup -- bipartisan -- will soon reintroduce the Collegiate Housing and Infrastructure Act, picking up the mantle from now -- and, oh, I like saying this -- Secretary of HUD, Marcia Fudge.

Over the years CHIA has had as many as 237 House sponsors and 40

state Senate sponsors. It has also passed the House twice. CHIA is a bipartisan way to help address the inter-related challenges of higher education costs and infrastructure improvements for the long term.

As Congress works to get our students and economy back on track, I do not want us to overlook the value of investing in collegiate housing. So, with that said, I ask the Ways and Means Committee to include the Collegiate and Housing Infrastructure Act in the tax provision of the infrastructure package that will move through the House this year.

With that, Mr. Chairman, I yield back, and ask you for any due consideration. Thank you.

\*Chairman Neal. I thank the gentlelady.

Now let me recognize the gentlelady from Nevada, Congresswoman Dina Titus, for five minutes.

STATEMENT OF HON. DINA TITUS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEVADA

\*Ms. Titus. Thank you very much, Chairman Neal and Ranking Member Brady. I would like to address two points this morning, the so-called handle tax and the cap on private activity bonds. And I certainly appreciate the opportunity to do that.

In the two-and-a-half years since the Supreme Court struck down the federal ban on sports betting, sports betting is now legal in some form in 21 states. And by the end of this year it is likely to be 26 states. That is why Congress should repeal the excise tax, better known as the handle tax, on sports betting. It includes a head tax on casino employees, onerous registration and record-keeping requirements found in chapter 25 of the tax code. In fact, the handle tax is aiding illegal offshore gaming operations, and hindering the hard-hit gaming industry here at home from rebounding from the COVID-19 pandemic.

Enacted in 1951, this tax was directed towards going after illegal gaming, but it is only applied to wagers that are cast in the United States, not abroad. And so the vast majority of illegal gaming does occur abroad, over the Internet, unfortunately. So while the handle tax was designed to punish illegal gaming operators, because of the way the industry has evolved it now rewards them to our detriment.

Annual revenue from legal sports betting in 2020 only made up 8 percent of the annual revenues for offshore sites and unregulated operators. Because of this, we believe that the handle tax should be eliminated.

Furthermore, Congress has already exempted certain types of sports betting from the handle tax, including betting on horse racing. And we believe it should provide the same treatment to all sports bettings.

At a time when employers are being encouraged to rehire employees, a per-employee head tax is a significant disincentive to hiring that makes economic recovery in places like southern Nevada and these other 20-some-odd states very difficult. It is time for Congress to eliminate this outdated, counterproductive tax that provides very little revenue to the Federal Government, and has the unintended consequence of harming regulated legal operators by leaving illegal operators to get off the hook with no penalty whatsoever.

Before I yield back I want to quickly mention the other critical issue that is before this committee as you conduct your work, and this is related to infrastructure and investments in infrastructure, and that is private activity bonds.

As you all know, current law caps private activity bonds at \$15 billion. This successful program has already tapped out, limiting important infrastructure projects from coming forward. One of those projects is the Brightline West passenger rail service, connecting Las Vegas to Southern California. This is one of the busiest highway corridors in the nation between these two growing metropolitan areas. And yet passenger rail hasn't existed linking these two areas since the late 1990s.

Brightline is the successful passenger rail service in Florida, and that is already underway to develop an all-electric, true, high-speed train that would cut the time between Los Angeles and Las Vegas in half, and eliminate much

of the traffic that contributes to so much air pollution.

So as you examine federal support for infrastructure, I would urge you to consider the many worthwhile projects that are being held up by this artificial cap on private activity bonds to help ensure that passenger rail has an opportunity to compete.

So I thank you for your attention. I urge you to eliminate the handle tax and lift the cap on these private activity bonds to help in our ability to build back better. Thank you, and I yield back.

\*Chairman Neal. I thank the gentlelady, and let me point out that I have twice successfully participated in raising the cap on the private activity bond issue. So it is something that we need to keep in perspective as we proceed to infrastructure.

\*Ms. Titus. Thank you.

\*Chairman Neal. If we could, for just a couple of moments, allow the panelists from our next gathering to come to the table and get situated.

[Pause.]

\*Chairman Neal. So, as we proceed to the fifth and last panel, let me recognize the gentlelady from California, Nanette Barragan, for five minutes.



STATEMENT OF HON. NANETTE BARRAGAN, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF CALIFORNIA

\*Ms. Barragan. Thank you, Chairman Neal and Ranking Member Brady, for offering members an opportunity to highlight legislation related to your upcoming work that will have an impact on our constituents.

I want to thank you, Chairman Neal and Subcommittee Chair Mike Thompson, for your reintroduction of the Green Act, a comprehensive bill that the tax code -- using the tax code to combat climate change. I am especially supportive of two incentives in your legislation: the refundable credit for previously-owned electric vehicles, and your manufacture credit for zero-emission, heavy-duty vehicles and buses. Both will have a critical impact on reducing air pollution, creating jobs, and improving public health in my district, which has some of the worst air pollution in the country.

My district is almost 90 percent Latino and African-American, and suffers from the impact of multiple highways crisscrossing through it, and thousands of truck trips a day to and from the Port of Los Angeles. It is far too common a sight in my district to see kids with asthma inhalers around their necks, where asthma rates are twice the national average. The faster our transportation system moves to zero emissions, the sooner we can meaningfully address environmental injustice in the communities I represent.

The Port of Los Angeles has climate action goals to move to 100 percent zero-emission dredge trucks by 2035, and the manufacturers' credit could help to bring down the cost of producing these trucks and, therefore, the price.

The refundable credit for used electric vehicles is important for increasing access for communities of color and low-income Americans who face a price barrier to purchasing a new zero-emission vehicle. Targeting the credit by income level is important, but I want to encourage you to consider a higher cap for the credit than 2,500 for low-income people, who still -- they will still struggle to afford any used electric car. The incentive has to be strong enough for everyone to take part in the clean energy revolution.

Thank you again for taking these two priorities of mine into consideration, and for your tremendous work on the Green Act. I look forward to working with you in the 117th Congress to advance solutions that truly address the scale and the seriousness of the climate crisis.

And with that, Mr. Chairman, I yield back.

\*Chairman Neal. I thank the gentlelady. We are going to have to just recess for a few minutes here, while we allow the other Members who have indicated an interest in offering testimony. So your patience would be welcomed, as we await their ability to log in.

[Recess.]

\*Chairman Neal. We will now resume Members' testimony, and let me recognize the gentlelady from California, Karen Bass, for five minutes.

STATEMENT OF HON. KAREN BASS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

\*Ms. Bass. Well, first of all, thank you. Thank you, Mr. Chair.

Oh, good, the echo went away.

Thank you for your great leadership of this committee through many, many, many very difficult issues. I think you have been masterful in your leadership. And I want to thank the ranking member and also the chair of the subcommittee, Danny Davis, who I have worked with for every year since I have been in Congress, but knew of him for years before I came to Congress, and his great work on child welfare, which is what I would like to talk about today.

Child welfare is an issue that, unlike many issues in our country, is a very bipartisan issue. You know, we have a congressional caucus on foster youth that is a bipartisan caucus, and we work with a lot of outside organizations, including the National Foster Youth Institute, which I think many of you might know, because once a year we bring the foster youth to the Hill. And of course, we weren't able to do that last year, and probably won't be able to do it this year. But yet the young people have been involved, nevertheless.

And let me also thank you, because I think many members of Ways and Means have taken the time to do Zoom calls with the foster youth, and that is so critical, because their voice needs to be at the center.

You know that they are among the most vulnerable people in our country. And when COVID first hit, I remember Representative Davis and I

were out at the Triangle, doing a press conference, because you remember when the colleges told all the students to go home, and then we immediately thought about the foster youth, because they didn't necessarily have homes to go to at all.

And so this committee has done great work, in terms of protecting foster youth during the pandemic. But we have and will continue to worry about them falling through the cracks. And so one of the things that this committee did in one of the rescue packages was provided protections for foster youth, provided a moratorium on aging out. So typically, when a young person is 18, they are essentially cut off from services. So your committee and our Congress passed legislation that put a moratorium on aging out, so care could extend.

What I hope that we can do this year is extend that moratorium beyond September, because, even though I hope by then everyone will be vaccinated, including young people, you know the impacts from COVID will continue. And so, hopefully, we can continue that moratorium.

We also want to extend the flexibility of Chafee funding, which will essentially allow states to continue to cover -- or it will allow states to have flexibility on how they use the Chafee money.

So, you know, we have talked about in our Congress racial equity, and how racial equity needs to include a broad, bold approach to change the culture of child welfare by empowering communities and families, and promoting equity in the child welfare workforce, and building trust between the child welfare systems and our communities.

So, for example, one of the things that I learned over the last couple of

years with all the problems at the border is that we, essentially, have two systems. And so children in other government systems have an established set of safeguards. Immigrant children in federal immigration custody have only a patchwork of moderate protections.

Among these protections is the Flores Settlement Agreement, which established basic standards for governing the custody, detention, and release of children in the federal immigration system. But now it is time to codify protections for children in federal immigration custody that align with fundamental child welfare principles. So I was pretty shocked to realize that we have these two separate systems.

Also, this committee passed the Families First Preservation Services Act, and we shifted child welfare from family separation to family preservation. But there are still old laws that impede the child welfare system, and one of them is the law that says a child has to be either reunited with their family in 15 months, or parental rights can be terminated. And in many cases, that is just not enough time. So that is something that needs to be modified, and that I hope that this committee will be able to address this year.

So I want to thank you for the opportunity of speaking with you. I enjoy continuing to work with you, even though I have never had an opportunity to serve on the committee. I love the fact that you invite me in when it comes to child welfare issues, and I hope that that continues.

\*Chairman Neal. Well, I think it is fair to say you have been a thought leader on those issues, and I always appreciate your consistent efforts to get my attention.

[Laughter.]

\*Ms. Bass. Well, thank you. I appreciate that, too, and I enjoy working with your staff, and I hope I am not a pest.

\*Chairman Neal. Not at all.

So I now recognize the gentleman from Florida, Mr. Deutch, for five minutes.

STATEMENT OF HON. TED DEUTCH, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

\*Mr. Deutch. Thank you. And look at -- you guys are in charge of my video, hold on. All right, there we go.

Great. Thanks, Chairman Neal. I was prepared to thank the ranking member, too. I understand he may not be with us today. But I appreciate the opportunity to spend just a couple of minutes with you. I -- and it is good to see my other colleagues on the committee.

We are now at a turning point, where we have an opportunity to pursue aggressive action that can further reduce harmful carbon emissions, protect our future from the devastating impact of climate change. I am excited to be with you, because you understand that climate change is real. The impacts are being felt across our country and across the globe.

In my district here in South Florida, we have sunny day flooding when high tide brings in knee-deep water. It covers roadways and encroaches on storefronts, it damages private property around the country. We have seen larger and more devastating wildfires. Hurricanes are stronger, they are more destructive, they gain strength more quickly over the warming oceans. Prolonged drought has an unrelenting hold on the western United States, and reports from last week describe how the warming planet will eventually make it too hot for people to live in the Caribbean and other parts of the world. So it is critical that Congress consider legislation to aggressively confront the increasing impacts of climate change.

One policy that Congress should consider that this committee -- I would



urge you to take the lead on, be front and center -- is placing a price on carbon. A price on carbon has numerous benefits. It uses the free market to transition the economy away from carbon-emitting fuels toward clean and renewable sources of energy.

For the last several years the business community has been incorporating carbon pricing in their internal forecast, their internal business plans. The CEO of the Business Roundtable that represents more than 200 businesses has supported carbon pricing. But if there is no action from Congress, then there will be no price put on carbon.

A senior director of the World Bank stated that carbon pricing remains one of the most promising measures to decarbonize our economies, and it has been recently reported that the American Petroleum Institute, even, is considering supporting a government-imposed price on carbon emissions to reduce global warming.

If we want to achieve cuts in carbon emissions that are necessary to stave off the devastating impact of climate change, it is essential we put a price on carbon. Ways and Means Committee has a central role, the central role on this issue.

I have introduced the Energy Innovation and Carbon Dividend Act, which would finally put a price on carbon. The bill begins at \$15 a ton of carbon that is assessed at the source on the fossil fuel companies. The price escalates \$10 per year. Putting a price on carbon will help to move our economy to cleaner, renewable energy sources. It will encourage innovation, research, development, deployment of technology to reduce harmful greenhouse gas emissions and combat climate change.

For decades corporations have profited from environmental damage that the American people pay for in the form of chronic illness, cancer, health costs, and harm to the environment. Now it is time for the polluters to begin to pay their fair share.

Under the bill, 100 percent of the revenue generated by the carbon fee is returned to the American people as monthly dividend checks. And by returning the revenue generated by the carbon fee directly to the American people, families will be in a financial position to afford renewable energy, as they become the alternative to carbon-based fuels. Monthly carbon dividend checks will also enable families to weather the economic storm that so many are still feeling from this COVID-19 pandemic.

The benefits of enacting this legislation have been described in an in-depth report produced by the Columbia University Center on Global Energy Policy. That is a report I would submit for the record. And the report found that the bill would lead to economy-wide net greenhouse gas emission reductions of 33 percent by 2025; 38 percent by 2030. And by 2050, the bill would cut greenhouse gas emissions by 90 percent. These emission reductions would exceed our commitments set forth in the Paris Agreement that President Biden has rightly re-entered. The bill would lead to dramatic reductions in dangerous air pollution. It found that harmful -- the study found that harmful sulfur dioxide and mercury emissions from the power sector would decline by 95 percent by 2030.

Other studies have found the bill would create more than 2 million jobs over 10 years.

And finally again, the House Ways and Means Committee can play an

integral part in devising critical policies that will reduce carbon emissions and confront climate change, and I strongly urge you to closely examine this approach. It is a free-market proposal that will change the behavior of companies, that will put more money into the pockets of families across the country, and it will help us combat climate change.

I am really grateful for the opportunity to testify, and, Mr. Chairman, I yield back the balance of my time.

\*Chairman Neal. I thank the gentleman.

Now let me recognize the gentlelady from California, Katie Porter, for five minutes.

STATEMENT OF HON. KATIE PORTER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

\*Ms. Porter. Thank you very much, Mr. Chair. Thank you so much to this committee, and Chairman Neal in particular, for your work on behalf of all families by increasing the Child Tax Credit.

As a single working parent myself, I am acutely -- daily aware of the challenges that this last year has presented. I have always known that, but for the quality public school system where my children can be safe, I would not be able to work. But for having daycare options, I could never have run for Congress. I would not have a seat at this table, writing and improving legislation to make life easier for working families.

Strengthening the Child Tax Credit is going to be a huge help to working parents, particularly to women, and women of color, who have been hit hardest by this pandemic. Due to child and -- school and child care closures, women have been forced to cut their work hours four or five times more than fathers.

On top of shouldering the majority of child care and remote learning responsibilities, women dominate the industries that have been hit the hardest by COVID-19. Over two million women have been pushed out of the labor force since the beginning of the pandemic. Women of color have borne the brunt of these pandemic-related job losses. While the unemployment rate among White women fell to 5.1 percent in January of 2021, it rose to 8.5 percent for Black women, and 8.8 percent for Latinas.

The goal of a Child Tax Credit is to offset the costs of raising a child.

And that is a goal that I strongly support. But the provision, as put in the American Rescue Plan, gives some kids more help than others, depending only on the marital status of their parents. A child living with a single parent is less likely to receive the Child Tax Credit or likely to receive a lesser amount of Child Tax Credit than one -- than a child who is living in a married family.

What this means is that children in single-parent families could receive less nutritious food, less secure housing, less child care, less educational opportunity than a child living with married parents. The purpose of the Child Tax Credit is to help the child. And differentiating based on different kinds of family structures is simply a historical artifact of our tax system and tax code that we need to revisit in light, particularly, of the purposes of the Child Tax Credit.

I have put the question why take this approach to the committee, to the Joint Committee on Taxation. I have seen others ask people on the National Council of Economic Advisers. And the only answer we have been given is, "Because we have always done it this way." That is not good enough for me.

I want every child in this country to have the same benefits of an expanded Child Tax Credit, whether their parents are single or married. That is the job of this committee, to lift up children and make sure that they can achieve their full potential. And I am going to fight for that for every single child, regardless of their family status.

Thank you so much for hearing me out, and for holding this committee hearing.

\*Chairman Neal. Well, we thank the gentlelady for her testimony.

So let me thank all of the members for their participation today. Please be advised that all members will have two weeks to submit statements for the record.

And with that, the Ways and Means Committee stands adjourned.

[Whereupon, at 12:10 p.m., the committee was adjourned.]

Submission for the Record:

[Joint Testimony from SEEC Leadership](#)