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September 8, 2021

Ways & Means Committee
U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The 3 million members of the National Education Association, who teach and support students in 14,000 communities across America, urge you to vote YES during markup of a budget reconciliation package that includes measures requiring the wealthiest and corporations to pay their fair share in taxes. This would bring more integrity to our federal tax system and raise the revenues necessary to make long-overdue investments in communities. Votes on this issue may be included in the NEA Report Card for the 117th Congress.

President Biden's Build Back Better plans have the potential to protect and uplift students and working families and strengthen education and other public services. We can turn the corner on the economic upheaval spawned by the COVID-19 pandemic—marked by record unemployment and a dramatic rise in food and housing insecurity—while at the same time taking actions to bring about greater tax fairness, help create good-paying jobs, rebuild communities, and reduce our society's persistent wealth gaps.

Working families lost substantial economic ground last year, while corporations flourished. A Washington Post analysis found that 45 of the 50 most valuable publicly traded companies turned a profit between April and September 2020. Fifty-five of America's biggest corporations made \$40.5 billion in profits, but paid no federal income taxes. Over 1,500 multinational firms based in the U.S. paid an average U.S. tax rate of 7.8 percent in 2018, while the median rate for all U.S. households was 14 percent.

To curb corporate tax dodging and offshoring, we urge you to take steps including:

- **Raising the corporate tax rate.** Raising the corporate tax rate to at least 28 percent will help fix this imbalance and produce nearly \$900 billion in revenue.
- **Curbing offshore corporate tax dodging.** Because the tax code taxes the foreign profits of U.S. companies at half the domestic rate, corporations are encouraged to outsource jobs and shift profits to tax havens. Doubling the tax rate on offshore profit to 21 percent would help end these practices and raise more than \$1 trillion.
- **Establishing a 15-percent minimum corporate tax.** Large, profitable corporations should not be allowed to “beat the system” by paying zero in federal income taxes. Implementing a 15-percent minimum corporate tax on profits would raise \$150 billion.

While the pandemic raged last year, America's wealthiest 1 percent got \$4 trillion richer. Individuals in this elite group captured 35 percent of the extra wealth generated in 2020, while the poorest half of the population received only 4 percent.

To ensure that the wealthy pay their fair share, we urge you to take steps including:

- **Taxing wealth like work.** Close the loophole that allows people earning more than \$1 million a year to pay a tax rate on the sale of stock and other assets that is lower than the top tax rate that

workers pay on wages. This reform, as well as taxing unrealized capital gains, will raise \$325 billion.

- **Restoring the top individual tax rate and stopping avoidance of health care taxes.** Increase the top individual tax rate to 39.6 percent and close loopholes that allow wealthy business owners to avoid paying taxes that fund health care, reforms that will raise \$370 billion.
- **Cracking down on tax evasion.** The richest 1 percent of households are responsible for one-third of all tax evasion, costing \$175 billion a year. Invest \$80 billion in strengthening IRS enforcement and information technology to force both individual and corporate scofflaws to stop cheating the system. These reforms will raise \$700 billion in revenue.

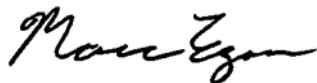
In addition, we urge you to:

- **Repeal the cap on the state and local tax (SALT) deduction.** The cap provides tax giveaways for corporations at the expense of working families and threatens the ability of states and local communities to support essential public services, including the well-funded public schools that students deserve.

Last, we urge you to meet this historic moment of opportunity by working with the Administration to enact measures that will mitigate the adverse experiences and outcomes associated with generations of systemic discrimination and racism. These measures include making expansions to the Earned Income Tax Credit and Child Tax Credit permanent and enacting paid family and medical leave for all workers, including public sector workers and those who currently have less access to paid leave, such as workers who are low income, people of color, or employed in the “care economy.”

To the educators of NEA, tax fairness is how we create an economy that works for all and reduce inequality; it is also an extension of the lessons in civic responsibility we teach students. We urge you to pass measures, as part of reconciliation, that will require corporations and the wealthiest among us to pay their fair share in taxes, advance equity, and rebuild our economy.

Sincerely,



Marc Egan
Director of Government Relations
National Education Association