

Issue Brief

Tax Reform



What's the issue

- On November 17, the Senate Finance Committee approved legislation to revise the tax code which includes a provision to repeal enforcement of the ACA mandate for individual insurance.
- Senate Majority Leader Mitch McConnell has suggested that the Senate will vote on tax reform the week after Thanksgiving.
- On November 16, the House of Representatives passed its version of legislation to reform the tax code. The House Way and Means Committee had passed it on November 9 on a party-line vote, [24-16](#).
- President Trump proposed that Congress take action by Thanksgiving and delivers a bill for his signature by Christmas.

What's the issue

- Simplifying the tax code has long been a campaign promise for those who have advocated for a flatter, less complicated system.
- In the last election, Republicans promised tax reform that would reduce the tax burden and simplify the Internal Revenue Service (IRS) code without adding to the debt.
- The goal is to lower tax rates, end tax breaks and create a leaner, clearer and more efficient tax code that raised the same amount of revenue.

Why does it matter?

- Both the Senate and House tax proposals offer various ways to balance these reforms by eliminating deductions and cutting programs including healthcare programs and funding that directly impact Presence Health and the communities we serve such as:
 - \$25 billion cut to Medicare [cross link if we have]
 - Repeal of the individual mandate to have health insurance
 - Elimination of tax-payers ability to itemize deductions for large medical expenses
 - Cuts to Children's Health Insurance Program (CHIP) [add cross link]
 - Cuts to Disproportionate Share Hospital payments (DSH) [add cross link]
 - [?] Medicare extenders
 - Elimination of tax-exemption for private activity bonds, including qualified 501(c) (3) bonds which are used to provide low-cost financing to hospitals
- Congress is using budget reconciliation, which is a legislative process that allows expedited passage of certain budgetary legislation on spending, revenues and the federal debt limit, because it only requires a simple majority vote.

What is the Presence Health perspective?

- **Presence Health fundamentally believes in access to health care.** Ensuring access to health care is a fundamental belief of our ministry. We oppose any policy changes that would impact coverage gains made under the ACA that have provided many in Illinois with the coverage they need to proactively seek care. We don't believe that 13 million Americans should lose coverage.
- **We are called to be a voice for the voiceless.** Catholic social teaching calls us to advocate for those who do not have a voice and to fight for social justice. Our tax system should not balance benefits for the wealthy by ending programs that help pull struggling families out of poverty.