

Speaker Ryan: Floor speech on tax reform legislation

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WASHINGTON—Today, House Speaker Paul Ryan (R-WI) delivered remarks on H.R. 1, the Tax Cuts and Jobs Act. Following are Speaker Ryan's remarks:

"Mr. Speaker, I want to start off by thanking Kevin Brady and all of the members of the Ways and Means Committee for this job well done.

"Mr. Speaker, we are in a generational-defining moment for our country. And what we're doing here is not just determining the kind of tax code we have—what we're doing here is determining what kind of country we're going to have.

"Right now, because of this anemic economic recovery. Don't forget, we had one of the worst recessions in our lifetime since 2008. Ever since then, this economy has been flat . . . This economy has been way under its potential. This economy has been growing at a limp one to two percent.

"And you know what that means for hardworking taxpayers—you know what that means for Americans? Nobody gets a wage increase, living standards are stagnant, economic anxiety is high.

"Seventy-eight percent of our workers in this country today are living paycheck to paycheck. Most Americans say they don't even have \$500 in their bank account for an unexpected emergency or an expense. This is the economic anxiety that's for real in this country today.

“Instead of thinking about getting ahead, families are struggling just to get by. Think about all the moms and the dads and all the hardworking taxpayers going to bed tonight, not sleeping, worried about what comes next week. That is not how it should be. This is not how it is in this country traditionally.

“We need to restore growth. We need to restore opportunity. We need to restore this beautiful thing we affectionately call the American Idea. Passing this bill is the single biggest thing we can do to grow the economy, to restore opportunity, and to help middle-income families that are struggling.

“People always ask: What’s in it for me? How will I benefit from this? Well, I’m a chart guy. Why is this important?

“What this shows you is under this plan, the average family at every income level gets a tax cut. A tax cut at every average level. What this shows you is that the people who are struggling, the people who are middle-income brackets, the people here who are low-income trying to become middle-income, they get the biggest tax cut.

“This plan is good for people from all walks of life, all across the country, and the bigger relief goes to those who need it most. Let’s put this into numbers. The typical household of four people makes \$59,000 in this country. That family of four? \$1,182 tax cut in the first year alone.

“The median family income is nearly \$87,000. That family will get a \$1,941 tax cut. Right away, year one. so if you’re one of those 57 percent of Americans who say you don’t even have \$500 to go to an emergency, this really helps you.

“Let’s talk about those people who itemize their tax, who live in high tax states—maybe a couple making \$115,000, living in a high tax state. Let’s say they’ve got \$8,400 in a mortgage interest payment and \$6,900 in property interest taxes for the year. They can write those off under this plan and still see a tax cut of \$1,130. If they’ve got kids, an even larger tax cut.

“Not only do people get to keep more of their own money in their own pocket, but we dramatically simplify the tax system. We make it more fair. Today, seven out of 10 Americans don’t itemize their deductions. 70 percent of Americans take what we call the standard deduction for their taxes. It’s just that—it’s standard, straightforward. You’re not taxed on that income.

“But over the years, Washington has piled on special-interest loophole after special-interest loophole after special-interest loophole. These are skewed to people who are wealthy, who are well-connected, who can afford all the tax lawyers, all the accountants to navigate the tax code so they can get a good deal.

“If you’re not in that group, if you don’t have lawyers and accountants and you’re just scraping away at your middle income, you don’t get those deals.

“What we want to do is take those loopholes away, make it fair for everybody, lower tax rates and make it easy. Here’s how easy this gets. We’re going to make it so easy that by doubling the standard deduction, 90 percent of Americans, nine out of 10 Americans will be able to fill out their taxes on a form the size of a postcard.

“And what this means is, for a single person you don’t pay taxes in your first \$12,000 of income. For a married couple, you don’t pay taxes on your first \$20,000 of income.

“Here’s the basic philosophy: Instead of jumping through all the hoops that the IRS puts in front of you, instead of doing what the special interest groups say you need to do in order to get some of your money back, we basically say, keep your money in the first place. It’s your money. Do what you want with it.

“All of this is about tax relief. It’s about fairness. It’s about simplicity. It’s about easing the stress and anxiety that’s in this country. But we need better jobs, more jobs, faster economic growth, higher wages.

“And this brings us to the way we tax ourselves as businesses. This brings us to what do we do to make America the most competitive place in the world?

“Here is the real problem we’ve got when it comes to the way we tax our businesses. We’re the worst in the world at it. We tax our businesses at the highest corporate tax rate in the industrialized world. What does that do?

“Let me give you an example where I come from. In Wisconsin, the example is Johnson controls. Johnson Controls is a company with a history dating back to the 1880’s in our state. It was the biggest company we had headquartered in Wisconsin. Not anymore. Because Johnson Controls is an Irish company. The Irish tax rate is 12.5 percent.

“This is happening all over the country. Companies just to stay competitive are

becoming foreign companies.

“And when the headquarters of that company leave yours hometown, when the headquarters of that business and that employer leave yours state and goes to another country, there goes the United Way campaign. There goes the white collar jobs. There goes the manufacturing. There goes the research and development. There goes America’s competitiveness.

“What’s worse, foreign companies are buying U.S. companies because it’s cheaper because of taxes. So here’s what we do. Instead of being the worst in the pack, we leapfrog ourselves by bringing that tax rate down to 20 percent.

“Because guess what? When you tax your businesses at much, much higher tax rates than our foreign competitor’s tax theirs, they win and we lose. We have got to stop losing. We have got to start winning.

“That’s what this does. What’s even more impressive about this is it lowers taxes for those small businesses, those mom and pops, even more. So we got to make sure that our businesses, the job creators of America, have every incentive to stay there, have every incentive to build here, have every incentive to hire here.

“What’s more, we’re finding that by doing this, we’re going to get faster economic growth. We’re going to get more jobs. We’re going to get higher wages, better take-home pay.

“Let me just break it down in simple numbers. The nonpartisan tax foundation ran the numbers. They said with this bill, we’ll get faster growth, about 3.5 percent faster economic growth, 890,000 new jobs. They estimate that in New York state alone, 57,834 new jobs. Wisconsin: 17,999 new jobs. California: 101,422 new jobs. Texas: 74,037 new jobs.

“And when you pass this bill, you grow this economy. And so why do we do all of this? Because it’s about giving people more take-home pay. It’s about raising wages. It’s about helping families who are struggling get ahead.

“It’s about getting Washington out of the business of picking winners and losers and giving the American people the kind of economy they deserve. This just shows you that across every income scale, across the board, wages will go up.

“Because we’re going to grow the economy, most of the wage growth goes to the

people who need it most—people in the middle, people who are struggling. That is why we're here.

“My colleagues, right now, we are in the middle of a long day where people are working tooth and nail in their jobs. We are right here in the middle of a day where America's workers are trying to figure out how to make ends meet, trying to keep up with everything.

“Those people, the hardworking taxpayers of this country that we represent, that is why we are here. This is why we're doing this. They are the foundation of this country. We're here today for them. The special interests are trying to protect their piece of the pie.

“All the negativity you see out there, there's probably a special interest group back there trying to keep their special place in the tax code. It is fine time, it is high time we root that out, we don't settle for the status quo and we give people the kind of tax code they need and deserve.

“It has been 31 years since we last did this, and it is finally time that we get the general interest of this country to prevail over the special interests in Washington. We know that this brings more fairness. We know that this increases tax-home pay and bigger paychecks. We know that this grows the economy and creates more opportunity.

“Faster economic growth is not going to fix every problem America has, but my colleagues I ask you today to raise your gaze and do something bold—to see the forest through the trees, to think about the people we are here to actually represent, to think about the people who are struggling, who are going to go to bed tonight and probably not sleep because they're worried about what's going to happen tomorrow.

“That's what this is. This is one of the most historic and the biggest things that we will ever do. And the reason is because this is one of the biggest things we can do to improve people's lives, to revitalize that beautiful, American idea, to spread liberty and freedom. This is something that's going to refresh our confidence in ourselves, in our confidence in each other.

“Enough settling. Enough giving in. Let's start to reclaim our future right here in this moment, in this chamber, in this moment. Let's pass this bill.”