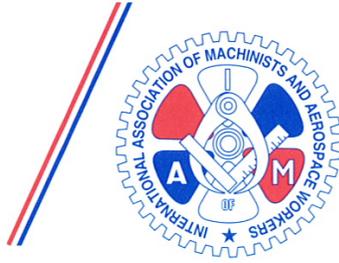


**International
Association of
Machinists and
Aerospace Workers**



9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

December 18, 2017

Dear Representative,

On behalf of the International Association of Machinists and Aerospace Workers, **I strongly urge you to oppose the conference report on H.R. 1, the Republican's job killing tax plan.** Like the wretched versions passed recently by Republican lawmakers in the House and Senate, this conference report is not true tax reform, but a shameless attempt to bestow huge tax cuts on wealthy corporations and the one percent. This brazen giveaway to the wealthy would be paid for with the jobs of American workers, as the Republican plan fails to close existing loopholes and adds additional incentives for U.S. companies to outsource jobs overseas.

The GOP tax plan would bestow enormous tax cuts to U.S. multinational corporations that outsource production and American jobs. The Republican plan would charge U.S. companies a tax rate of 21 percent on profits earned here in the United States, but profits earned in their overseas operations would be taxed at a much lower rate and, in some cases, would not be taxed at all. These ill-conceived provisions would incentivize companies to move an increasing number of U.S. jobs offshore. Any real tax reform plan should eliminate outsourcing incentives in order to encourage investment in domestic manufacturing, production, and employment. Instead, the GOP plan does the opposite, and it is working families who will pay the price as their jobs move overseas.

Republican leaders claim that this plan will provide tax relief to the middle-class; however, the non-partisan Tax Policy Center estimates that the overwhelming majority of the GOP proposed tax cuts would go to the richest one percent of taxpayers. Many middle-class families will receive a small, temporary tax reduction, but even these minuscule cuts are set to expire in 2025. Meanwhile, the richest one percent would receive the lion's share of the benefits, and tax cuts for wealthy corporations would not expire under the GOP plan. Instead, they would be permanently etched into the U.S. tax code.

According to the Joint Committee on Taxation, the nonpartisan arm of Congress responsible for analyzing tax policies, the tax cuts will add at least \$1 trillion to the federal deficit over the next ten years. Republican leaders plan to pay for this needless tax giveaway to the rich by making drastic cuts to Medicare, Medicaid, education, and other programs that working people depend on.

The GOP is attempting to sell this scheme with the myth that the benefits of the plan will "trickle-down" and will ultimately be good for the working people. History has proven that this is a lie. In 2004, the last time U.S. multinational corporations were given a tax break on income earned overseas, they did not use the windfall to create jobs or increase wages. Instead, they used that money for executive bonuses, stock-buybacks, and dividend payments to shareholders.

Experts from across the political spectrum agree that the GOP tax plan will do little more than cut taxes for the wealthy, increase the national budget deficit, and eventually lead to deep spending cuts in vital government programs. At the same time, the Republican plan will reward corporations who outsource production and move jobs overseas. This deeply flawed tax scheme should not be paid for with the jobs of American workers. For all of these reasons, **I strongly urge you to oppose the conference report on H.R. 1, the Republican's job killing tax plan.**

Please contact Legislative Director Hasan Solomon at (202) 420-5902 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Robert Martinez, Jr." in a cursive style.

Robert Martinez, Jr.
International President