



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

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## STATEMENT OF ADMINISTRATION POLICY

### Conference Report on H.R. 1 – Tax Cuts and Jobs Act

The Administration strongly supports House and Senate passage of the Conference Report on H.R. 1, the Tax Cuts and Jobs Act. This bill achieves the President’s goals of: (1) cutting taxes for middle-income families; (2) simplifying the tax code; and (3) reducing business taxes so that American employers can create jobs, raise wages for their workers, better compete with foreign businesses, and bring back money that is currently held offshore.

H.R. 1 would simplify tax filing for the large majority of Americans and make the tax code fairer by eliminating dozens of special interest tax benefits. It would also deliver meaningful tax cuts for middle-income families by significantly increasing the standard deduction, lowering tax rates, increasing the child tax credit, and extending the child tax credit to more families.

The bill would cut the corporate tax rate to 21 percent starting in 2018, below the average tax rate for countries in the Organization for Economic Cooperation and Development. It would also reduce taxes for millions of S corporations, sole proprietorships, and partnerships that pay taxes at individual rates.

The White House Council of Economic Advisers (CEA) estimates that the corporate provisions in the Conference Report on H.R. 1 would add between 3 and 5 percent to the real Gross Domestic Product of the United States, resulting in higher wages for American workers.

The Administration also supports the bill’s provision to repeal the Affordable Care Act’s individual mandate. The mandate is a tax that falls disproportionately on lower and middle-income households that cannot afford to purchase health insurance or choose not to for other reasons. Nearly 80 percent of households that paid the penalty for failure to comply with the mandate had annual incomes of less than \$50,000. Further, the individual mandate is an unprecedented attack on individual liberty that has failed with respect to its stated goal of increasing enrollment in health insurance.

Finally, the Administration supports the bill’s authorization of environmentally responsible energy development in the “1002 Area,” or Coastal Plain, of the Arctic National Wildlife Refuge (ANWR) in Alaska. This policy would increase America’s energy security and independence, create jobs, and provide affordable, reliable energy for consumers.

If the Conference Report on H.R. 1 were presented to the President, his advisors would recommend that he sign the bill into law.

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