



**CONSORTIUM FOR CITIZENS  
WITH DISABILITIES**

December 13, 2017

Dear Representative:

The undersigned organizational members of the Consortium for Citizens with Disabilities (CCD) write to strongly oppose the Tax Cuts and Jobs Act as passed out of both the House and Senate. CCD is the largest coalition of national organizations working together to advocate for federal public policy that ensures the self-determination, independence, empowerment, integration, and inclusion of children and adults with disabilities in all aspects of society.

Both versions of the Tax Cuts and Jobs Act are dangerous proposals that will significantly reduce federal revenue. With federal revenues decreasing by more than a trillion dollars over the next ten years, there is little doubt that pressure will build to deeply cut crucial programs for people with disabilities, like Medicaid and Medicare. We cannot support a bill that places those programs in jeopardy.

CCD released [principles](#) earlier this year to guide the consideration of any significant changes to the tax code.<sup>1</sup> Unfortunately, both versions of the Tax Cuts and Jobs Act violate virtually all of CCD's principles, including:

**Process:** We are disappointed the sponsors of these bills have not pursued a transparent bipartisan process. The bills advanced without hearings on the proposals and sufficient time to review legislative language. Given the significant complexity of the issues and the numbers of people affected, this opaque and rushed process increases the chances of unintended consequences and negative policy outcomes.

**Paying for Tax Reform:** As noted above, the massive loss of federal revenue proposed in this bill endangers federal programs that promote health, independence, inclusion, and community living for people with disabilities, including Medicaid, Medicare, and Social Security. In fact, multiple members of Congress have publicly stated that pursuing cuts to these programs is the plan once the Tax Cuts and Jobs Act passes.<sup>2</sup>

**Impact on People with Disabilities:** Having a disability or a family member with a disability is strongly associated with significant financial hardships and economic challenges. More specifically, people with disabilities are twice as likely to experience poverty and people with low incomes are more likely to have

---

<sup>1</sup> <https://c-c-d.org/fichiers/CCD-Principles-and-Recommendations-for-Tax-Reform.pdf>.

<sup>2</sup> See e.g. <http://thehill.com/homenews/house/363642-ryan-pledges-entitlement-reform-in-2018>;  
<https://www.politico.com/video/2017/11/29/full-video-of-playbook-interview-sen-marco-rubio-064454#t=21m45s>

personal or family experience with disability. The non-partisan Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT) reports have clearly demonstrated that lower-income filers would receive minimal, if any, tax cuts over the long term. In addition, these analyses show that the Senate bill will also result in less spending on lower-income groups resulting in unequal and unfair contributions of lower-income individuals toward deficit reduction.<sup>3</sup>

**Maintain and Improve Existing Provisions:** If Congress chooses to move forward with these tax cuts that disproportionately benefit the wealthiest Americans and large corporations, **which CCD strongly opposes**, we urge that a final bill exclude the most harmful provisions for people with disabilities in either or both bills as they would:

***Undermine Access to Affordable, Comprehensive Health Care and Long-Term Services and Supports***

**Individual Mandate.** The Senate version of the Tax Cuts and Jobs Act also proposes to offset tax cuts by repealing the Affordable Care Act requirement that all Americans take personal responsibility for their health care by maintaining health insurance or paying a penalty. We strongly oppose the Senate bill's proposal to nullify this individual mandate, which is a fundamental part of a carefully balanced incentive structure. Without the individual mandate encouraging everyone to maintain coverage, other ACA consumer protections are put in jeopardy, including for people with pre-existing conditions. The mandate, the consumer protections, and federal subsidies to purchase insurance combine to make coverage and care accessible and affordable across the country and across the income spectrum, including for people with disabilities.

The Congressional Budget Office projects that repealing the mandate would increase premiums 10% above current projections, leaving many people unable to pay for coverage. It would further destabilize the individual market and could lead insurers to abandon the individual market altogether. CBO estimates that 13 million Americans would become uninsured over the next ten years. This would reduce access to cost-effective preventative care and essential health benefits, increase the number of families facing catastrophic medical debt, and boost uncompensated care costs for the health care system and tax payers. People with disabilities and other chronic conditions who cannot go without healthcare would face much higher out-of-pocket costs. Many would face increased risk of institutionalization due to reduced access to care.

We generally support the bipartisan individual market reform package introduced by Senators Lamar Alexander and Patty Murray to help stabilize the individual market. However, the Alexander-Murray bill is designed to stabilize a market with an individual mandate and will not stem the coverage losses or prevent the premium increases created by repeal of the mandate. As the [Congressional Budget Office analysis confirmed](#), the destabilization resulting from the repeal of the individual mandate would overwhelm any benefit from the Alexander-Murray bill.<sup>4</sup>

---

<sup>3</sup> [https://www.jct.gov/publications.html?func=download&id=5036&chk=5036&no\\_html=1](https://www.jct.gov/publications.html?func=download&id=5036&chk=5036&no_html=1) and <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/reconciliationrecommendationssfc.pdf>

<sup>4</sup> <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53352-bhcsaandindividualmandate.pdf>

The Senate tax plan would jeopardize the fundamental promise of equal opportunity made to Americans with disabilities and leave millions of Americans uninsured.

**The Medical Expense Deduction.** The House bill eliminates the Medical Expense Deduction that helps people, especially people with disabilities, pay for extraordinary healthcare costs. In 2015, the last year for which data is available, 8.8 million individuals took this deduction. Today, this deduction only applies if medical expenses exceed 10% of the tax payer's adjusted gross income. Many people with disabilities rely on this deduction to afford necessary but expensive medical services and devices such as wheelchairs, prosthetic limbs and orthotic braces, vision and hearing aids, service animals, transportation to medical appointments, specialized medical equipment, or physical therapy. In short, this deduction can make the difference in allowing a person with a disability to work or live in the community. Moreover, 69 percent of individuals taking the medical expense deduction had annual incomes of less than \$75,000, meaning that they would also face increased taxes under the tax bill. This double penalty for low- and middle-income people with disabilities is completely unacceptable.

**Orphan Drug Tax Credit.** The House bill also eliminates the Orphan Drug Tax Credit, which encourages research into treatments for diseases impacting 200,000 or fewer people. Approximately 30 million people have rare disorders. If the orphan drug tax credit were repealed, approximately one-third fewer drugs addressing rare diseases would be developed in the future. This tax credit, like others discussed above, uses the tax system to ensure that the values embedded in the Americans with Disabilities Act are fully recognized, that people with disabilities can access basic life necessities such as housing, education, employment, health care, income support, transportation, and more. This tax credit and others like it help ensure that millions of Americans with disabilities can live with opportunity, dignity, and independence.

#### ***Undermine Access to Businesses and The Americans with Disabilities Act***

**Disabled Access Tax Credit.** The House bill eliminates a tax credit specifically designed to help small businesses comply with the Americans with Disabilities Act (ADA)--for example, by removing architectural barriers, providing auxiliary aids and services, and making reasonable accommodations to ensure equal opportunity for employees with disabilities. This credit plays a significant role in ensuring that people with disabilities can participate in the mainstream of society. It helps to provide people with disabilities access to grocery stores, hotels, doctors' offices, private schools, and many other important places of public accommodation. It also expands employment opportunities for people with disabilities. It is unthinkable that Congress would eliminate this small business tax credit in order to pay for corporate tax cuts, particularly when many members of Congress have proposed weakening enforcement of the ADA based on purported concerns about small businesses' ability to comply with the law. Rather than eviscerating the ADA, Congress should continue the tax credit that helps small businesses take the modest steps necessary to achieve compliance.

#### ***Remove Employment Opportunities***

**Work Opportunity Tax Credit.** The Work Opportunity Tax Credit (WOTC) provides a credit against federal income taxes for employers who recruit and hire people with serious barriers to work. Targeted populations include veterans, TANF recipients, Supplemental Security Income (SSI) recipients, youth program participants and vocational rehabilitation referrals. Each of these categories includes thousands of people living with a range of disabilities.

If the Tax Cuts and Jobs Act eliminates the WOTC, as the House bill does, the consequences are clear: thousands of people with disabilities who want to work will be denied the opportunity to do so. According to data from the Employment and Training Administration, nearly one million WOTC certifications were issued to employers in 2012 alone. Specifically, 892,314 WOTC certifications of employees were issued according to the [Congressional Research Service's](#) previous review of the program.<sup>5</sup> The credit encourages employers to look intentionally at hiring people with a range of barriers to work. Eliminating the WOTC would send a negative signal to thousands of employers and millions of Americans.

### ***Undermine Equal Educational Access and Special Education***

**529 Education Savings Accounts.** The House and Senate bills expand the 529 program to cover K-12 education and increase income eligibility for families. Families who can afford to put money away for private or sectarian schools each month would be able to watch their savings earn interest and capital gains free of taxation. In the Senate bill, even home schoolers could withdraw up to \$10,000 a year for school expenses from tax-favored savings accounts. Both bills reduce federal revenues to support higher income families to pay for private schools that are not obligated to comply with the Individuals with Disabilities Education Act (IDEA). A reduction in general federal revenue that supports the public education system is unacceptable especially when Congress has never come close to fully funding the IDEA.

**State and Local Tax Deduction (SALT).** The House and Senate bills eliminate Taxpayers' ability to deduct their state and local taxes from their federal taxes, with the exception of the property tax deduction that would be capped \$10,000. Eliminating SALT would disproportionately affect people living in higher-tax states that invest more in their public services. These states are projected to lose public support for investing in quality public services such as education, housing, and transportation that benefit their constituents, including people with disabilities. For instance, a state by state analysis by the National Education Association found that \$370 billion worth of state and local revenue and 370,000 education jobs would be at risk over the next decade under full repeal of SALT.

### ***Reduce incentives to develop affordable housing targeted to non-elderly people with disabilities***

**Low-Income Housing Tax Credit.** The House bill includes language that would undermine the development of new affordable housing options for people with disabilities. While both bills retain the Low-Income Housing Tax Credit (LIHTC) program, the House bill repeals the tax exemption on private activity bonds (PABs). This, coupled with the reductions in the corporate tax rate, will stifle housing development and result in approximately 950,000 fewer units of affordable rental housing being developed in the coming decade, according to the National Housing Trust. This will cause even greater challenges for people with disabilities who rely on the HUD Section 811 program.

---

<sup>5</sup> See <https://fas.org/sgp/crs/misc/RL30089.pdf> page 10

***Jeopardize Financial Security: Elimination of Significant Safeguard Under the ABLE Act***

**ABLE Act.** As [outlined in a letter sent to the Hill last week](#), we have significant concerns regarding an ABLE related amendment to the Senate’s recently passed tax proposal, especially in its most recent form, which can be found in Sec. 11024. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS. After much consideration and consultation with other ABLE related stakeholders, it appears that this provision would result in additional administrative burden on both program administrators and people with disabilities and create unnecessary complexities. Most concerning, however, is that the current language, if passed, would leave ABLE account owners with disabilities in a much more vulnerable position with respect to the potential loss of vital supports and services provided by various means tested programs.<sup>6</sup>

**Conclusion:**

For these reasons, the undersigned organizations oppose the Tax Cuts and Jobs Act in the strongest terms possible. We oppose these bills because the loss of key revenue sources will inevitably increase pressure to cut bedrock disability-related programs such as Medicaid and Medicare, programs that people with disabilities rely on to live and work in their communities. We urge you to reject H.R. 1 and work on bipartisan solutions that will address our nation’s priorities without harming people with disabilities and chronic conditions.

Sincerely,

American Association on Health and Disability  
American Association of People with Disabilities  
American Dance Therapy Association  
American Foundation for the Blind  
American Network of Community Options and Resources (ANCOR)  
Association of Assistive Technology Act Programs (ATAP)  
Association of People Supporting Employment First (APSE)  
Association of University Centers on Disabilities (AUCD)  
Autism Society of America  
Autistic Self Advocacy Network  
Bazelon Center for Mental Health Law  
Brain Injury Association of America  
Center for Public Representation  
Christopher and Dana Reeve Foundation  
Disability Rights Education and Defense Fund  
Family Voices  
Learning Disabilities Association of America  
Justice in Aging  
National Alliance for Caregiving  
National Alliance on Mental Illness  
National Association of Councils on Developmental Disabilities  
National Association of State Head Injury Administrators

---

<sup>6</sup> [http://c-c-d.org/fichiers/ABLEtoWork-Act-Concerns-\(Final-LH\).pdf](http://c-c-d.org/fichiers/ABLEtoWork-Act-Concerns-(Final-LH).pdf)

National Committee to Preserve Social Security and Medicare  
National Council on Independent Living  
National Center for Learning Disabilities  
National Disability Institute  
National Disability Rights Network (NDRN)  
National Down Syndrome Congress  
National Health Law Program  
National Multiple Sclerosis Society  
National Organization of Social Security Claimants' Representatives (NOSSCR)  
National Respite Coalition  
Parent to Parent USA  
Perkins School for the Blind  
Respectability  
Special Needs Alliance  
The Advocacy Institute  
The Arc of the United States  
United Spinal Association