

TAX & BUDGET

FACT SHEET

What's at Stake for Women in the Debate about Tax Extenders

Years of tax policies that have disproportionately benefited wealthy individuals and big corporations have left the United States with a tax system that is both unbalanced and insufficient to meet [national priorities](#).¹ Unfair tax breaks cost the federal government billions of dollars a year – money that could be used to protect the most vulnerable now and expand opportunity for a stronger future for everyone.

When Congress returns in November 2014, it is expected to consider renewing the “tax extenders”. These tax provisions are officially temporary but are routinely renewed every year or two, without sufficient analysis as to [whether they remain \(or ever were\) good tax policy](#)² -- and without offsets to pay for their cost. Most of the provisions benefit corporations, including multinational firms that ship jobs and profits overseas, NASCAR track owners, and racehorse owners.

The “[fiscal cliff deal](#)” of January 2013 (the American Taxpayer Relief Act of 2012) extended more than 50 tax breaks for 2012 (retroactively) and for 2013, without paying for them.³ Many in Congress are now interested in renewing some or all of the extenders retroactively for 2014 before December 31, 2014.

How much would it cost to renew the tax extenders?

The cost depends on which provisions are extended and for how long.

The [Senate Finance Committee has approved a bill](#) (the EXPIRE Act, S. 2260) to renew over 50 tax extenders for 2014 and 2015, again without paying for them.⁴ The full Senate has not yet voted on that bill.

The two-year extension in the EXPIRE Act would cost [\\$85 billion](#) over 10 years.⁵ But if Congress stays on this course of renewing them every two years for the foreseeable future, the [cost would be closer to \\$700 billion](#) over 10 years.⁶

The House has passed permanent extension of the largest business tax breaks – for bonus depreciation, the research credit, S corporation built-in gain provisions, section 179 expensing, and S corporation charitable contributions of property -- at a cost of [more than \\$500 billion](#) over 10 years.⁷ The House Ways and Means Committee has gone even further, approving permanent extension of two tax breaks for big corporations that encourage corporations to ship profits and jobs offshore – the active financing exception and the controlled foreign corporations look-through rules -- increasing the total cost to [almost \\$600 billion](#) over 10 years, or an average of about \$60 billion a year.⁸

What does this mean for women?

Spending \$85 billion, or \$600 billion, on tax breaks that mostly benefit corporations, takes away revenue that could be used to support programs that women and their families depend on. To put the costs in perspective:

- [Non-defense programs are facing cuts](#) of about \$50 billion from the sequester next year.⁹ That's less than the \$85 billion we would lose from renewing the extenders for two years.
- The \$60 billion a year we would lose on average from the permanent extensions passed by the full House or the Ways and Means Committee is about equal to

the combined annual cost of all of these programs for low-income children and families: Child Care and Development Fund, \$5.2 billion; Head Start, \$8 billion; child nutrition programs, \$18.3 billion; and funding for schools serving disadvantaged children, \$24.1 billion.

According to recent Census [poverty data](#), more than one in seven women — nearly 18 million — live in poverty.¹⁰ Poverty rates are even higher for single mothers, women of color, and older women living alone.

Tax revenues pay for Head Start, child care assistance, Medicaid, Medicare, nutrition assistance, public schools, tuition assistance, and job training. Yet many of the [programs that help families make ends meet and escape poverty have been cut deeply](#) in recent years.¹¹ Other public services that make our families, communities and economy stronger — education, roads and bridges, and medical research and much more — have also suffered.

It's particularly troubling that Congress has demanded that protecting programs that help families from sequestration cuts and extending federal emergency Unemployment Insurance for long-term unemployed workers be paid for without requiring that tax extenders be paid for.

If Congress chooses to extend corporate tax breaks, it should pay for them by closing other corporate loopholes, to ensure that corporations pay their fair share of the taxes that support programs vital to women, their families, and the nation.

1 Americans for Tax Fairness, Tax Fairness Briefing Booklet (Aug. 12, 2014), *available at* <http://www.americansfortaxfairness.org/2014/08/12/tax-fairness-briefing-booklet/>.

2 Citizens for Tax Justice, Why the Senate's Tax Extenders Bill Is a Tragedy, and How It Can Be Made Tolerable (May 15, 2014), *available at* http://ctj.org/ctjreports/2014/05/why_the_senates_tax_extenders_bill_is_a_tragedy_and_how_it_can_be_made_tolerable.php.

3 Citizens for Tax Justice, Provisions of the Fiscal Cliff Deal (January 10, 2013), *available at* http://ctj.org/ctjreports/2013/01/provisions_of_the_fiscal_cliff_deal.php.

4 Chye-Ching Huang, Center on Budget and Policy Priorities, New York Times Calls Senate Finance Committee "Extenders" Vote Fiscally "Imprudent" (April 9, 2014), *available at* <http://www.offthechartsblog.org/new-york-times-calls-senate-finance-committee-extenders-vote-fiscally-imprudent/>.

5 Joint Committee on Taxation, Estimated Revenue Effects of the Chairman's Modification to the Expiring Provisions Improvement Reform and Efficiency Act Of 2014 (April 3, 2014) *available at* <https://www.jct.gov/publications.html?func=startdown&id=4577>.

6 Citizens for Tax Justice, Why the Senate's Tax Extenders Bill Is a Tragedy, and How It Can Be Made Tolerable, *supra* note 2.

7 Americans for Tax Fairness, Status and Cost of "Tax Extender" Bills in the U.S. House of Representatives (July 30, 2014), *available at* <http://www.americansfortaxfairness.org/files/ATF-Status-and-Cost-of-Tax-Extender-Bills-in-the-U.S.-House-of-Representatives1.pdf>.

8 *Id.*

9 NWLC, The Winter 2013-2014 Fiscal Fights: High Stakes for Women and Families (Dec. 5, 2013), *available at* <http://www.nwlc.org/resource/winter-2013-2014-fiscal-fights-high-stakes-women-and-families>.

10 See NWLC Analysis of 2013 Census Poverty Data, *available at* <http://www.nwlc.org/nwlc-analysis-2013-census-poverty-data>.

11 Coalition on Human Needs, Selected Human Needs Programs: Shrinking Funding Since 2010 (Sept. 2014), *available at* <http://www.chn.org/wp-content/uploads/2014/07/Shrinking-Funding-Since-2010-plus-FY-15-Updates-Attachment.pdf>.