
OLYMPIA INDIVISIBLE

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REPUBLICANS' TAX CUTS FOR THE RICH – AND \$1.5 TRILLION MORE IN DEBT

Summary: The Republican tax bill was released November 2. The bill will:

- **Cut the top corporate tax bill to 20%** immediately from the current 35%, not phase it in over a period of years as had been planned, and it will expire in eight years. Corporations would gain new, more favorable treatment of income earned abroad, which is either not taxed or taxed at an even lower rate than 20%. This would benefit the wealthy, who earn a large share of their income from stock sales and dividends.
- **Phase in a full repeal of the estate tax.** It is cut initially by increasing the exemption and applying to a smaller group of very rich estates, then eliminated entirely over several years.
- **Eliminate the alternate minimum tax** which currently insures that the rich pay at least a minimum tax rate.
- **Provide very low tax rates to pass-through companies** which would be capped at the 25% rate rather than the top individual rate. This would benefit entities like The Trump Organization. There are some provisions included meant to prevent rich individuals from using this tax break to shelter income, but they only limit the benefit in most cases.
- **Collapse the existing seven tax brackets to four:** 12%, 25%, 35% and 39.6%. The threshold for the top rate will increase to \$1 million for couples, up from the current \$470,700. This will help taxpayers with incomes between \$500,000-\$1 million.

The 35% rate would cover some affluent households currently paying a marginal rate of 33%, raising their taxes. The 12% bracket would extend into the income range currently covered by the 25% bracket, lowering taxes for some middle- and upper-middle-class households, but it would also increase taxes on lower-income people currently paying the existing lowest rate of 10%.

The thresholds for brackets will be adjusted according to the chained consumer price index (CPI), a slower-growing measure of inflation than normal CPI, which is used currently. This change raises revenue over time by gradually pushing more and more people into higher tax brackets.

- **Make performance pay and commissions over \$1 million no longer deductible** for corporate taxes. This would raise taxes on corporate executive pay.
- **Double the standard deduction to \$12,000 per individual and \$24,000 per family** from the current \$6,000 and \$12,000. But this benefit would be partially offset by the personal exemption many Americans can claim, which can be large for families with many children.
- **Expand the child tax credit to \$1,600 per child from the current \$1,000 per child** and there will be a new \$300 family credit for parents and other non-child dependents in the house, which is to expire after five years. The credit would start to phase out at \$230,000 in earnings for married couples, as opposed to \$110,000 under current law.
- **Eliminate the personal exemption of \$4,050.**
- **Cut the mortgage interest deduction sharply for future mortgages.** The law currently allows the deduction on the first \$1 million of mortgage interest, but the bill will cut that to the first \$500,000. This will have a big impact on high-cost areas such as San Francisco, New York, Seattle, Boston and the DC area.

- **Eliminate the deduction for state income and sales taxes.** The tax deduction for some state and local property taxes will be maintained with a \$10,000 limit. This will still harm taxpayers in higher-tax states (such as New York, New Jersey, Massachusetts and California- and Washington state would be impacted due to our high sales taxes). It would result in a tax increase of nearly \$1 trillion impacting taxpayers in high-tax states.
- **Make medical expenses and property and casualty losses no longer deductible.**
- **Maintain most other major tax deductions and exclusions for individuals unchanged** including the charitable deduction, the 401(k) and IRA deductions, tax exclusion for employer-provided health care, the earned income tax credit, and the child and dependent care tax credit.
- **Make changes to college savings programs** and have new requirements for tax-exempt organizations like churches and charities.
- **Adds a new 1.4% tax on university endowment income.**

Talking Points:

* The bill is supposed to add no more than \$1.5 trillion to the deficit but they have *promised over \$4 trillion in cuts* and have so far failed to identify many sources of new revenue.

*As of late November 1, House Republican leaders were still struggling to corral enough support from Republicans in New Jersey and New York to ensure they could pass the measure on the House floor. Many Republicans from those states have objected to the proposal that would eliminate the ability to deduct state and local taxes from their federal taxable income (see item above). New York, New Jersey, California, Illinois and a number of other states have higher taxes, and the ability to deduct these taxes from federal income saves people a lot of money.

* The plan will require dramatic cuts in domestic spending (\$660 billion over a decade), even bigger cuts in entitlements (an estimated \$1 trillion from Medicare and \$500 billion from Medicaid, while increasing the deficit sharply by an estimated \$2.2 trillion over 10 years).

*McConnell said the Senate could stay in session the week before Thanksgiving as well as the Thanksgiving weekend.

*See National Indivisible's discussion of how Trumpcare is like the Trump Tax Scam: <https://www.trumptaxscam.org/six-ways-the-trump-tax-scam-is-just-like-trumpcare-1/>

National Indivisible identifies the following dates for Congressional next steps:

Hold a committee mark up in House Ways & Means during the week of Nov. 6

Hold a vote in the House during the week of Nov. 13

Hold a committee mark up in Senate Finance during the week of Nov. 13

Hold a vote in the Senate sometime during Thanksgiving week but before Dec. 11

Our MoCs:

Senators Murray and Cantwell oppose a tax plan that gives to the rich and takes away from the middle class and the poor. Sen. Cantwell has specifically spoken against the elimination of state and local tax deductions. Sen. Cantwell is a senior member of the Senate Finance Committee which will be considering the Republicans tax bill next week (possibly).

To Do:

1. Write post cards or call our members to oppose the Republican tax plan, cutting taxes on the rich and big corporations while eliminating tax exemptions for state and local income and sales taxes and raising taxes on 401(k) retirement account deposits. It will require massive cuts in domestic spending and entitlements including Medicare, Medicaid and food stamps, all while sharply increasing the deficit.
2. Watch the national Indivisible site for suggested protests at MoCs offices:
<https://www.trumtaxscam.org/payout-event-organizing-guide/>

Trump Administration's New Attempt to Undermine the ACA

Summary: The HHS Centers for Medicare and Medicaid Services (CMS) have proposed a rule that includes a range of changes in how individual and small business ACA exchanges are run. The rule would give states broad latitude in carrying out the ACA's 10 essential health benefits, categories of care that insurers on ACA exchanges must cover.

Talking Points:

* Currently, states must select a benchmark plan to set the standard for how generously insurers must cover essential benefits. It is typically chosen from among employer-sponsored plans to ensure that individual plans on the exchange are comparably generous. Marketplace insurers must provide the same value of services within each of the 10 categories as the benchmark plan.

*If the rule goes into effect, states won't have to choose from a limited, fixed menu of benchmark plans, but they would be able to select from all states' standards and mix and match components. A state could choose the maternity care standards from one benchmark plan and the mental-health services from another or a state could choose the benchmark plan from any other state. States that opt to take this approach would be essentially mixing together all sorts of plans. States would have wide authority to water down the essential health benefits requirement.

*The ACA says that essential health benefits must be "equal to the scope of benefits provided under a typical employer plan." The rule would redefine what counts as typical nearly beyond recognition, saying that any plan, in any state that covers more than 5,000 people, would count as typical. That means a single outlier plan could count as typical, even if it covers far less than most employer plans.

*The proposed rule would also allow insurers to shift benefits across the ten essential health benefit categories, not just within them. So if an insurer wanted to scale back prescription drug coverage, it could do so as long as it ramped up coverage in another category at an comparable level. Insurers could potentially make plans less appealing to someone they don't want to cover, like someone with expensive long-term conditions.

Our MoCs:

Sen. Murray has worked on an ACA stabilization bill. All our MoCs oppose TrumpCare.

TO DO:

1. Write post cards or call our MoCs and urge them to oppose this rule.
2. Write a comment to CMS to oppose this rule. The rule and the link to make comments are available at: <https://www.federalregister.gov/documents/2017/11/02/2017-23599/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2019>

Combat Climate Change Now – Which Even the Trump Administration Now Acknowledges is Real and Caused by Human Activity

Summary: The Trump Administration just issued the National Climate Assessment on Friday, Nov. 3, a report mandated by law. Surprisingly the Administration did not prevent its release even though it is a dire report that identifies human activity as the cause of global warming.

Talking Points:

*The report finds that climate change is driven “almost entirely by human action,” the Washington Post summarizes.

*This conclusion is contrary to the Administration’s decision to withdraw from the International Climate Accord and is contrary to the Administration’s backlash against Obama’s climate policies.

* “The report affirms that climate change is driven almost entirely by human action, warns of potential sea-level rise as high as eight feet by the year 2100, and details climate-related damage across the United States that is already unfolding as a result of 1.8 degrees Fahrenheit of global warming since 1900,” writes the Washington Post.

* “The report comes as Trump and members of his Cabinet are working to promote U.S. fossil-fuel production and repeal several federal rules aimed at curbing the nation’s carbon output, including ones limiting [greenhouse-gas emissions from existing power plants](#), oil and gas operations on federal land and carbon emissions from [cars and trucks](#).” (from Washington Post)

See article and report here: https://www.washingtonpost.com/news/energy-environment/wp/2017/11/03/trump-administration-releases-report-finds-no-convincing-alternative-explanation-for-climate-change/?tid=ss_mail&utm_term=.add8849e0983

Our MoCs:

Senator Cantwell has long been a supporter of acting to stop the effects of climate change: <https://www.cantwell.senate.gov/news/press-releases/cantwell-collins-release-gao-report-showing-climate-change-will-cost-the-government-trillions-of-dollars->

TO DO:

Contact our MoCs and demand they publicly endorse the National Climate Assessment and that they demand the Administration act on this Assessment by developing a comprehensive plan to address climate change in the US and around the world.

Protect the Mueller Investigation & Continue to Expose the Russian Interference in the 2016 Election

Summary: Robert Mueller indicted Paul Manafort, Trump's campaign manager, and Rick Gates, Manafort's business partner, on October 30. Both men pleaded not guilty to the charges. In addition, it has been disclosed that former Trump campaign foreign policy advisor, George Papadopoulos, pled guilty to lying to the FBI and is now cooperating with the Mueller investigation.

Talking Points:

*The indictment stated that Manafort and Gates worked as unregistered agents providing political consulting and lobbying work in Ukraine between at least 2006 and 2015. The men worked in various capacities for the party of Viktor Yanukovich, the past pro-Russian Ukrainian president. The indictment accuses them of money-laundering - that they attempted to hide the funds they received for this work from American tax collectors and the public in a series of foreign companies and bank accounts in Cyprus, the Seychelles, Grenadine and Britain. It states that more than \$75 million passed through offshore accounts, and that Manafort laundered more than \$18 million to pay for real estate, luxury goods and other services in the US. Gates transferred more than \$3 million from offshore accounts.

Both Manafort and Gates were legally required to report their work for and payment from the Ukrainians to the US but they didn't report it. After the work was disclosed in 2016 news reports, they developed a false cover story about the work. The reports prompted the Justice Department to ask the men if they had ever worked as agents of a foreign power. They repeatedly said no, lying to the FBI.

*Former Trump campaign foreign policy advisor George Papadopoulos plead guilty to lying to the FBI more than once. Papadopoulos was arrested in late July by the FBI, but the arrest was kept secret. He has been a cooperating witness for the past three months. It is unclear what that cooperation consists of beyond telling Mueller's investigators what he knew and whether it involved wearing a wire in later conversations with former campaign staff.

*Papadopoulos said in his guilty plea that after he had joined the campaign he had been approached by a London-based professor (later identified as Joseph Mifsud, former Maltese government official) with ties to Russian officials who said the Russian government had thousands of Clinton emails. This was months before there was public knowledge of the Russian hack of the DNC and John Podesta's emails. He reported this interaction and subsequent meetings to his campaign superiors, some of whom encouraged him to continue. He said the professor had proposed a meeting between Trump and Putin during the campaign. His supervisor, Sam Clovis' response was "great work." In April 2016, Mifsud introduced Papadopoulos over email to a man in Moscow who told Papadopoulos that he had connections to the Russian Ministry of Foreign Affairs, court records show. Emails previously described to the Washington Post indicate that the man is Ivan Timofeev, a program director at a Russian government-funded think tank called the Russian International Affairs Council.

Papadopoulos stated that on March 31, 2016, he attended a national security meeting with Trump and other advisers, at which Papadopoulos stated that he "could help arrange a meeting between then-candidate Trump and President Putin."

Papadopoulos reported to Sam Clovis, a staffer with the campaign since the Iowa caucuses. Clovis is cooperating with Mueller's investigation. Not identified by name, but later identified as working with Papadopoulos were Corey Lewandowski, Paul Manafort and his deputy, Rick Gates.

*There are continued rumors that the Mueller investigation will be derailed by the Administration.

*Key Senate and House Republican committee chairs moved the focus of their Russia investigation off how Russians tried to influence the election and possible collusion by the Trump campaign to two other issues: Obama-era decisions into a uranium deal that increased Russia's share of the US nuclear fuel market and how the FBI handled the investigation into Clinton's private email server.

*Democrats charged that the investigations are a strategy to distract attention from the actual issues of Russian involvement in the election and possible collusion. They also appear to be an effort to distract attention from Robert Mueller's initial filing of indictments in his investigation.

*Dianne Feinstein, ranking member on the Senate Judiciary Committee responded by announcing that Democrats on the committee would continue to investigate Russian involvement on their own. But because subpoena power requires the approval of the chair of the committee, their investigatory power may be limited.

*Republican lawmakers say they're approaching the end of their investigations into Russian interference in the 2016 presidential election even though the most politically explosive issue, whether associates of President Donald Trump colluded with the Kremlin, remains unresolved.

To Do:

- a) Write post cards and call John McCain, Bob Corker, Ben Sasse and Jeff Flake to ask them to work to keep the focus of the Senate investigations on the Russian efforts to undermine our democracy. While the Congress has the authority to do any investigations it wants, the threat to future elections comes from Russian election meddling and nothing should undermine congressional efforts to investigate what they have done, what they could do and how to counter it.
- b) Write post cards and call our MoCs, especially Denny Heck, to encourage them to continue to work to expose what Russia did in the 2016 election, continues to do and is likely to do in the future, and to examine whether the clear interest in collusion by the Trump campaign ended in actual collusion.
- c) Contact our MoCs to ask them to speak publicly in support of the independence and the continuance of the Mueller investigation.
<https://www.indivisible.org/resource/protecting-democracy-cant-fire-mueller/>

Oppose Increases in the National Parks Fee

Summary: The Trump Administration is considering sharp increases in entrance fees to 17 of the most popular national parks during peak season. Daily entrance fees would rise from \$25 to \$70 per car at these parks. The increase would begin as early as January at Joshua Tree, would increase at 12 more parks in May and at the final four parks in June. The cost of riding a motorcycle into the parks would rise to \$50 and walking or biking in would cost \$30. Annual pass fees would remain at \$80. Among the parks impacted are Joshua Tree, Denali, Olympic, Mount Rainier, Shenandoah, Acadia, Yosemite, Grand Canyon, Zion, Bryce, Arches, Canyonlands, Yellowstone, Grand Teton, Glacier, Sequoia, Kings Canyon, and Rocky Mountain.

Talking Points:

*The biggest complaints registered about the proposed increases is that that would make the parks much harder to visit for lower income Americans.

*The National Park Service said the fee increases would raise \$70 million more toward addressing an [\\$11 billion backlog](#) in park maintenance to repair deteriorating buildings, restrooms and roads. The increase would take place while the Trump Administration budget proposes a nearly \$400 million budget cut for the parks.

*As Timothy Egan writes: “In the bizarro world of this administration, taxpayers are being asked to [subsidize a dying industry](#), coal mining, while their government is slashing the budget for a growing one that is responsible for four times as many jobs. . . We could, for instance, not build Trump’s nonsensical border wall, which looks like it will cost [upward of \\$20 billion](#), more than eight times the entire proposed budget for the Park Service. . . Or we could keep the estate tax, which affects only about 1 out of every 500 people who die every year, and raises \$20 billion as well. The bigger question, after all, is about inheritance: What would we rather pass on to our children?”

*There are bipartisan bills in Congress that would divert \$12 billion in federal oil and gas royalties from the national treasury to fund the parks’ maintenance backlog over 30 years. Washington state would heavily feel the impact of the increase because both Olympia and Mount Rainier are close to the Puget Sound metro areas and are common sites for local visits.

Our MoCs: Both Senators Cantwell and Murray are opposed to the Administration’s proposed increase.

To Do:

- a) Make comments on the National Park Service comment page through November 23. The link to that page is at: <https://parkplanning.nps.gov/document.cfm?documentID=83652>
- b) Write post cards or make calls to our MoCs opposing this increase. We support increased funding for national park maintenance and oppose budget cuts for the national parks.

Do Not Open the Arctic National Wildlife Refuge to Oil Drilling

Summary: The Senate Energy and Natural Resources Committee is held a highly contentious hearing on November 2, 2017 on opening parts of the Arctic National Wildlife Refuge, north of the Brooks Range in Alaska, to oil drilling.

Talking Points:

*The committee is holding the hearing on opening part of the refuge to oil drilling as an element of the effort to raise federal revenues to compensate for the proposed Republican tax cut.

*For supporters of drilling in the Arctic refuge, the tax plan represents the best chance in decades to realize their goal of drilling for oil in the refuge, which has stymied a number of times in Congress. In fact, just two years ago the Fish and Wildlife Service recommended the Refuge be designated a wilderness, which would protect it from drilling.

*The budget passed to allow the tax cut to pass with only 50 votes in the Senate also paves the way for a drilling measure to be attached to the tax overhaul, so the drilling provision could be passed without facing a possible Democratic filibuster.

*Sen. Lisa Murkowski said that she would like 2000 acres be opened for development. But the economic benefits of this proposal are not clear cut. Huffington Post wrote: “David Murphy, an assistant professor at St. Lawrence University, concluded in [a report](#) published Wednesday that ‘drilling there would have little appreciable effect on increasing U.S. energy security,’ and that ‘current presidential and congressional budget projections are unrealistic, and thus that it would be fiscally irresponsible to pursue this path on a budget justification.’”

*From Huffington Post: “Sen. Maria Cantwell (D-Wash.), the minority’s ranking member of the Senate Committee on Energy and Natural Resources, said she is both “disturbed” by the process — budget bills require only a simple majority vote and cannot be filibustered — and finds it “hard to believe that there will be the economic incentive to drill” in ANWR. “We are here today [at the hearing on Nov. 2] because someone has come up with a ludicrous idea that we can pass a tax reform bill that raises the deficit and increases our taxes, and that will take a sliver out of a wildlife refuge to do it,” she said. “I almost want to call this ‘caribou for millionaires’ because it is the most ridiculous idea I have ever heard as it relates to meeting the tax reform agenda.”

* Huffington Post wrote: Perhaps the most powerful testimony Thursday came from Samuel Alexander, a representative of the Gwich’in tribe. He said it is the duty of Gwich’in people to protect the land and animals on it. And the tribe, he said, views drilling in the 1002 area as an attack on their freedom and the caribou on which they depend . . .”

*”Earlier this month, Senate Republicans [blocked an attempt](#) by Cantwell and other Democrats to bar drilling in ANWR. On Thursday, Democrats accused Republicans of putting short-term economic gains over environmental protection.” https://www.huffingtonpost.com/entry/arctic-wildlife-refuge-drilling_us_59fa377be4b0415a42095c8a

Our MoCs:

Sen. Cantwell is clearly opposed to opening the Refuge to drilling.

To Do:

Call our MoCs to oppose this move. Focus especially on Maria Cantwell, the ranking minority member of the Energy and Natural Resources Committee. Other Democratic members on the committee include Ron Wyden of Oregon, Bernie Sanders, and Al Franken. Tell them: Opening the Arctic National Wildlife Refuge to oil drilling will damage one of the few remaining large-scale untouched wildlife areas in the US, all to take just a little more oil out. This when we really need to reduce our dependence on fossil fuels to respond to the major dangers presented by climate change.

Instead of the issue being debated in a thoughtful way, supporters are trying to push it through in the tax bill under the guise of raising funds, all while that bill cuts government revenues by billions.

Help Puerto Rico and the U.S. Virgin Islands

Summary & Talking Points: Over five weeks after Hurricane Maria, over 80% of Puerto Rico's electric grid remains down. A total of 28% of Puerto Rico residents still lack running water and fully 72% of those that have running water need to boil or disinfect it to remove health risks. There is no clean running water anywhere on Puerto Rico. Fully 40% of island residents lack a cellphone signal. Only 20 of Puerto Rico's 51 sewage treatment plants are running. Half of the hospitals are still without electricity.

Fully 80% of the US Virgin Islands remain without power over five weeks after Hurricane Maria. Sparse communication and logistics have slowed the arrival of electrical workers. Access to fresh food remains a major problem. Residents say they can't find necessary groceries. Emergency distribution centers were closed three weeks ago because grocery stores were beginning to reopen. Many residents have no cash and only the non-emergency food stamp (SNAP) cards to buy food, but most supermarkets remain cash-only. Emergency SNAP cards are not available, in part because they require that payment be delivered electronically, and there is very little electrical power available.

The scale of the disasters in Puerto Rico and the US Virgin Islands requires far more aid, and a stronger federal disaster response, especially to get the electricity grids on all the islands back up and running.

Our MoCs: Both Senators Murray and Cantwell have called for aid to affected areas.

To Do:

Call to thank our MoCs for voting to support more aid to disaster areas. Ask them to push for more aid to help the ongoing crises in Puerto Rico and US Virgin Islands.

Ask them also to provide more aid to help people impacted by the severe fires in Northern California, and to aid those caught in the Houston area flooding and harmed by hurricane damage on the Gulf Coast, in Florida and in the Florida Keys.

CONTACT INFORMATION

Local Members:

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Democrats from other states to contact

Note: for email, some senators require inputting a zip code from their state

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