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Wyden Statement at Finance Committee Hearing on Tax Filing Season As Prepared for Delivery

The annual hearing on tax filing season typically inspires the level of enthusiasm most people bring to a prolonged root canal procedure. But this year, there are big tax policy issues with serious consequences facing millions of Americans.

First, small businesses are increasingly stuck in a bureaucratic twilight zone. There is rampant confusion about how the new tax law works -- untested policies, sloppy legislative drafting, and outright mistakes in the law. On top of that, a Trump Cabinet turf battle has been adding to the uncertainty and lengthening the time that small businesses are going to be in the dark about how the tax rules apply to them.

So here's the bottom line. Estimated tax payments are due, but millions of small businesses don't know how to estimate what they owe.

The owner of a restaurant known as a local landmark. The highly-regarded mechanic whose expertise has built a loyal base of regular customers. The finish carpenter whose sought-after work is prized for its sturdiness and good looks. They've all been mired in this tax code mystery zone while Trump officials go 12 rounds over who's going to get final say on regulations. I understand there's been news on this issue this morning. But the fact is, deadlines for guidance from the administration are slipping. Tax experts are so unsure of the road ahead, they're advising small business clients to bump up their estimated payments from last year just to be safe.

Let's not forget that certainty was one of the key selling points of the tax bill -- sure footing for businesses to focus on growing and hiring rather than deciphering a byzantine, outdated tax system. The magical growth effects were going to kick in right away, and workers were going to see big raises. the reality of the law looks awfully different.

All this confusion and delay creates yet another golden opportunity for powerful lobbyists and special interests to creep in and twist the rules in their favor. They'll be after even more exclusive carve-outs and sweetheart deals -- exactly the kind of favoritism that Americans want eliminated from our tax laws.

And the likelihood they'll be able to exploit these tax loopholes is even greater than in the past, because taxpayer audits have fallen to a 15-year low, with audits of high-income earners dropping the most.

I want to thank Acting Commissioner Kautter for joining the committee here today. As I said at the outset, I'd wager that most Americans would expect a hearing on tax filing season to be about as sleep-inducing as it gets on Capitol Hill. But I hope we're able to uncover some important information about what's ahead for taxpayers this year and going forward as the Trump tax law is implemented.

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