

## **ASBMB STATEMENT IN RESPONSE TO H.R. 1, THE TAX CUTS AND JOBS ACT**

The following statement is from Benjamin Corb, public affairs director for the American Society for Biochemistry and Molecular Biology:

Tax reform efforts currently being debated in the House of Representatives would damage the nation's scientific enterprise and weaken America's position as the global leader for scientific breakthroughs and innovation. Changes to the tax policy will raise the deficit and threaten investments in research and development for years to come.

As constructed, H.R. 1 will increase the federal deficit by \$1.5 trillion over the next decade, as designers of the bill have not identified a way to make the tax cuts budget-neutral, instead assuming economic growth as a result of lower corporate and individual tax rates. Democratic and Republican lawmakers alike have called many of these assumptions unreasonable and fiscally irresponsible.

Without a responsible plan to pay for the tax cuts, history tells us that Congress will look to cutting federal spending to shrink budget deficits. Following 2001 and 2003 tax cuts, federal budgets went from operating in a surplus to operating in a deficit, and estimates say roughly one-third of the current federal debt is the result of the tax cuts not providing the economic boost that was assumed. As debt has increased and budget deficits have grown, Congress has passed austere fiscal policies, including mandatory federal spending caps and sequestration. These policies have stunted investments in scientific research and development and allowed other countries to surpass the United States in investments in science as a percentage of national gross domestic product.

Additionally, the elimination of tuition waivers for graduate students who work as teaching or research assistants to their professors is of great concern to the ASBMB. Traditionally, students who receive tuition in exchange for their services, as laboratory research assistants, for example, are taxed only on the stipend they receive for their work. H.R. 1 would include tuition as taxable income, resulting in graduate students seeing as much as a three-fold increase in their income tax liability. We believe these changes may result in fewer students continuing their educations and potentially a loss among the next generation of American scientists.

As drafted, we oppose passage of this legislation.