



Committee On Finance

Max Baucus, Ranking Member

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Baucus Comments on Tax Reform Panel

Senator Believes Fundamental Tax Reform Will Be a Difficult Task

(WASHINGTON, DC) – U.S. Senator Max Baucus (D-Mont.), ranking Democrat on the Senate Finance Committee, issued the following statement regarding today’s release of the final report from the President's Advisory Panel on Federal Tax Reform.

“I welcome the detailed report from the reform panel. The panelists have thoughtfully and carefully considered major tax reform options, several of which they decided against.

“There are some great ideas here and some not-so-great ideas. If only this were a buffet. Unfortunately, it’s a set menu, and I think overall it will not satisfy our hunger for reform and simplification. Some of the ideas here are not only a heavy lift politically, but also they may not make good tax policy. The panel adopted a cap on tax-free health insurance benefits at the current average benefit, which will not grow with health care inflation but at a slower rate. Why set a low threshold for health insurance benefits? Further, the President was clear in his direction to protect homeownership and charity, but the panel seems to have attacked those two head-on with a hit on mortgages and a hurdle for charitable giving.

“However, there are a number of suggestions that make good sense, such as repealing the onerous Alternative Minimum Tax (AMT). We already know that if Congress does not act and act soon, the AMT will affect almost 30 million taxpayers by the end of the decade, which will be 20% of all returns.

“Since much of what we are seeing today will be part of the President’s agenda in January, I believe the Finance Committee should hold a hearing as soon as possible to explore these ideas further with the panelists. Further, I am asking the Joint Committee on Taxation today to review, analyze and estimate the revenue impact of these recommendations. Last, I am hopeful that interested parties who are affected by these recommendations will submit formal or informal comments. I have directed my staff at the Finance Committee to compile any comments received to share with other Committee Members.”

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