

United States Senate

WASHINGTON, DC 20510

January 9, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20515

The Honorable Mike Crapo
Chairman
Senate Committee on Finance
Washington DC, 20515

Dear Majority Leader Thune and Chairman Crapo:

We write regarding the immense tax and budget policy challenges facing the 119th Congress. These issues require bipartisan cooperation, and we hope you will consider working with us to develop fiscally responsible solutions to the upcoming expirations of the federal debt ceiling and Tax Cuts and Jobs Act (TCJA) while supporting middle class Americans.

As you are well aware, Congress and the President will face a daunting budget reality in 2025. First, the federal debt ceiling, which was raised under the Fiscal Responsibility Act, will once again need to be addressed. Second, many provisions of the Tax Cuts and Jobs Act of 2017 will expire at the end of the year. The nonpartisan Congressional Budget Office (CBO) estimated in 2024 that extending all of the expiring provisions of the TCJA would cost \$4.6 trillion over ten years, once interest is included.¹ CBO also projects that the annual budget deficit, without including any extension of the TCJA, will grow from \$1.9 trillion in 2024 to \$2.9 trillion in 2034.² CBO accurately predicted the score of the TCJA's impact on the federal budget in 2017 as revenue has been within two percent of their projections.³ CBO's projections are just as likely to be accurate now.

We understand that the Senate Republican Conference is likely to use the budget reconciliation process to address these expirations. While we respect the majority's right to do so under Senate rules, we believe a better outcome can be achieved by working in a bipartisan manner to reform the tax code and address our growing national debt through responsible spending reforms. We believe a fully deficit-financed, partisan effort could risk raising costs for families, driving up interest rates for Americans looking to purchase a home, and increasing borrowing costs for American businesses and consumers. It also risks reducing the government's future ability to respond to national security emergencies and fund our nation's key programs.

Bipartisan reforms, including targeted reductions in federal spending, can reduce deficit concerns while protecting low and middle income Americans and promoting pro-family tax policy. We also believe good faith negotiations can ensure the permanence of a competitive tax code for American businesses with reasonable effective tax rates and competitive treatment of capital and R&D expenses, as well as a rational international tax regime.

¹ <https://www.cbo.gov/publication/60114>

² <https://www.cbo.gov/publication/60419>

³ <https://www.crfb.org/blogs/2017-tax-cuts-continue-lose-revenue>

While there will certainly be challenges to finding bipartisan agreement on certain issues, we believe addressing the growing deficit and reducing unnecessary spending can serve as a basis for good faith bipartisan negotiation. We stand ready to work with you in good faith to craft legislation that can achieve 60 votes in the Senate.

Thank you for your consideration.

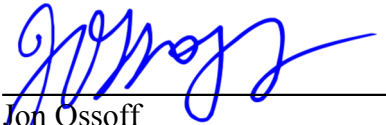
Sincerely,



Catherine Cortez Masto
United States Senator



Mark R. Warner
United States Senator



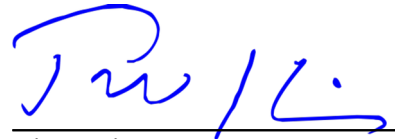
Jon Ossoff
United States Senator



John Hickenlooper
United States Senator



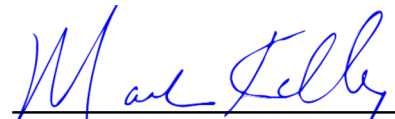
Jacky Rosen
United States Senator



Tim Kaine
United States Senator



Gary C. Peters
United States Senator



Mark Kelly
United States Senator



Raphael Warnock
United States Senator



Ruben Gallego
United States Senator



Elissa Slotkin
United States Senator