



## Committee on Domestic Justice and Human Development

3211 FOURTH STREET NE • WASHINGTON DC 20017-1194 • 202-541-3160

WEBSITE: WWW.USCCB.ORG/JPHD • FAX 202-541-3339

October 25, 2017

United States Senate  
Washington, DC 20510

Dear Senator:

“Tax revenues and public spending take on crucial economic importance for every civil and political community. The goal to be sought is public financing that is itself capable of becoming an instrument of development and solidarity.”<sup>1</sup> As Congress begins deliberations on possible tax reform based on the “Unified Framework for Fixing Our Broken Tax Code,” the following moral principles are offered to assist you:

- 1. Care for the poor.** The U.S. Bishops have long emphasized that “[t]he tax system should be continually evaluated in terms of its impact on the poor” (*Economic Justice for All* (“EJA”), 202). Complex economic systems admit of many variables, and certainty about how tax policy will play out over time can be elusive, requiring prudent and honest projections. What should be certain is that the risks associated with tax policy ought not be borne by the most vulnerable. The poor should not be burdened with income taxation as they struggle to meet their daily needs, and programs designed to support them and lift them out of poverty must be adequately funded.
- 2. Family formation and strengthening.** Pope Francis has stressed that “[t]hose services which society offers its citizens are not a type of alms, but rather a genuine ‘social debt’ with respect to the institution of the family, which is foundational and which contributes to the common good.”<sup>2</sup> Instruments of the tax code that benefit the family such as the Child Tax Credit and the Earned Income Tax Credit are especially important. These credits should be increased, and those increases be made refundable so that the benefits can reach the poorest families, including the working poor. The “Unified Framework” indicates that the so-called “marriage penalty” for the Child Tax Credit will be eliminated. Removing financial barriers to marriage is essential to family formation and well-being.
- 3. Progressivity of the tax code.** St. John XXIII wrote, “In a system of taxation based on justice and equity it is fundamental that the burdens be proportioned to the capacity of the people contributing” (*Mater et Magistra*, 132). The common good and the stability of society require that the tax code include progressive elements designed to recognize the means of individuals and families, as well as the economic inequality present in society, and apportion tax burdens accordingly. The “Unified Framework” states that a revised tax code will be “at least as progressive as the existing tax code” and that it “does not shift the tax burden from high-income to lower- and middle-income taxpayers.” These principles are essential for justice and must be key features of any tax reform.

---

<sup>1</sup> *Compendium of the Social Doctrine of the Church*, no. 355.

<sup>2</sup> Pope Francis, Homily for the Holy Mass for Families, Samanes Park, Guayaquil (Ecuador), July 6, 2015. [https://w2.vatican.va/content/francesco/en/homilies/2015/documents/papa-francesco\\_20150706\\_ecuador-omelia-guayaquil.html](https://w2.vatican.va/content/francesco/en/homilies/2015/documents/papa-francesco_20150706_ecuador-omelia-guayaquil.html)

- 4. Adequate revenue for the sake of the common good.** Resources are required for society to defend and promote the common good. The USCCB has affirmed that “the tax system should raise adequate revenues to pay for the public needs of society, especially to meet the basic needs of the poor” (*EJA*, 202). In carrying out its responsibilities, “[g]overnment may levy the taxes necessary to meet these responsibilities, and citizens have a moral obligation to pay those taxes” (*EJA*, 123).
- 5. Avoiding cuts to poverty programs to finance tax reform.** The loss of revenue created by tax cuts should not be made up by cuts to programs that serve those most in need. Recent proposals by leaders in Washington indicate an openness toward steep cuts to the social safety net and discretionary programs that serve those in poverty. At the same time, Congress is seriously considering increases in military spending. Legislators must avoid creating a situation in which cuts to programs for the poor will be made to seem inevitable and necessary, whether in the short or longer term, in order to make tax cuts possible.
- 6. Incentivize charitable giving and development.** Charitable giving is strongly incentivized in the present tax code, and the “Unified Framework” states that the charitable giving deduction will be preserved. Perhaps unintentionally, though, the plan risks crippling charitable giving. Academic research predicts a multi-billion dollar drop in charitable giving if the standard deduction were doubled. The elimination of the estate tax would further reduce incentives to give. Tax credits to encourage efforts like the development of affordable housing also appear at risk. Removing these incentives to give to charities, while also cutting anti-poverty programs would doubly burden the most vulnerable members of our communities. Proposals to remedy some of these challenges have been offered and should be seriously considered.

National tax policy is complex, and its effects far-reaching. As the country wrestles with how best to raise adequate revenue to serve the common good and provide increased financial stability, you are urged to recognize the critical obligation of creating a just framework aimed at the economic security of all people, especially the least of these.

Sincerely,

A handwritten signature in black ink that reads "Frank J. Dewone". The signature is written in a cursive style with a large, looping initial "F".

Chairman, Committee on Domestic Justice and Human Development  
United States Conference of Catholic Bishop



## Committee on Domestic Justice and Human Development

3211 FOURTH STREET NE • WASHINGTON DC 20017-1194 • 202-541-3160

WEBSITE: WWW.USCCB.ORG/JPHD • FAX 202-541-3339

October 25, 2017

United States House of Representatives  
Washington, DC 20515

Dear Representative:

“Tax revenues and public spending take on crucial economic importance for every civil and political community. The goal to be sought is public financing that is itself capable of becoming an instrument of development and solidarity.”<sup>1</sup> As Congress begins deliberations on possible tax reform based on the “Unified Framework for Fixing Our Broken Tax Code,” the following moral principles are offered to assist you:

- 1. Care for the poor.** The U.S. Bishops have long emphasized that “[t]he tax system should be continually evaluated in terms of its impact on the poor” (*Economic Justice for All* (“EJA”), 202). Complex economic systems admit of many variables, and certainty about how tax policy will play out over time can be elusive, requiring prudent and honest projections. What should be certain is that the risks associated with tax policy ought not be borne by the most vulnerable. The poor should not be burdened with income taxation as they struggle to meet their daily needs, and programs designed to support them and lift them out of poverty must be adequately funded.
- 2. Family formation and strengthening.** Pope Francis has stressed that “[t]hose services which society offers its citizens are not a type of alms, but rather a genuine ‘social debt’ with respect to the institution of the family, which is foundational and which contributes to the common good.”<sup>2</sup> Instruments of the tax code that benefit the family such as the Child Tax Credit and the Earned Income Tax Credit are especially important. These credits should be increased, and those increases be made refundable so that the benefits can reach the poorest families, including the working poor. The “Unified Framework” indicates that the so-called “marriage penalty” for the Child Tax Credit will be eliminated. Removing financial barriers to marriage is essential to family formation and well-being.
- 3. Progressivity of the tax code.** St. John XXIII wrote, “In a system of taxation based on justice and equity it is fundamental that the burdens be proportioned to the capacity of the people contributing” (*Mater et Magistra*, 132). The common good and the stability of society require that the tax code include progressive elements designed to recognize the means of individuals and families, as well as the economic inequality present in society, and apportion tax burdens accordingly. The “Unified Framework” states that a revised tax code will be “at least as progressive as the existing tax code” and that it “does not shift the tax burden from high-income to lower- and middle-income taxpayers.” These principles are essential for justice and must be key features of any tax reform.

---

<sup>1</sup> *Compendium of the Social Doctrine of the Church*, no. 355.

<sup>2</sup> Pope Francis, Homily for the Holy Mass for Families, Samanes Park, Guayaquil (Ecuador), July 6, 2015. [https://w2.vatican.va/content/francesco/en/homilies/2015/documents/papa-francesco\\_20150706\\_ecuador-omelia-guayaquil.html](https://w2.vatican.va/content/francesco/en/homilies/2015/documents/papa-francesco_20150706_ecuador-omelia-guayaquil.html)

- 4. Adequate revenue for the sake of the common good.** Resources are required for society to defend and promote the common good. The USCCB has affirmed that “the tax system should raise adequate revenues to pay for the public needs of society, especially to meet the basic needs of the poor” (*EJA*, 202). In carrying out its responsibilities, “[g]overnment may levy the taxes necessary to meet these responsibilities, and citizens have a moral obligation to pay those taxes” (*EJA*, 123).
- 5. Avoiding cuts to poverty programs to finance tax reform.** The loss of revenue created by tax cuts should not be made up by cuts to programs that serve those most in need. Recent proposals by leaders in Washington indicate an openness toward steep cuts to the social safety net and discretionary programs that serve those in poverty. At the same time, Congress is seriously considering increases in military spending. Legislators must avoid creating a situation in which cuts to programs for the poor will be made to seem inevitable and necessary, whether in the short or longer term, in order to make tax cuts possible.
- 6. Incentivize charitable giving and development.** Charitable giving is strongly incentivized in the present tax code, and the “Unified Framework” states that the charitable giving deduction will be preserved. Perhaps unintentionally, though, the plan risks crippling charitable giving. Academic research predicts a multi-billion dollar drop in charitable giving if the standard deduction were doubled. The elimination of the estate tax would further reduce incentives to give. Tax credits to encourage efforts like the development of affordable housing also appear at risk. Removing these incentives to give to charities, while also cutting anti-poverty programs would doubly burden the most vulnerable members of our communities. Proposals to remedy some of these challenges have been offered and should be seriously considered.

National tax policy is complex, and its effects far-reaching. As the country wrestles with how best to raise adequate revenue to serve the common good and provide increased financial stability, you are urged to recognize the critical obligation of creating a just framework aimed at the economic security of all people, especially the least of these.

Sincerely,

A handwritten signature in black ink that reads "Frank J. Dewone". The signature is written in a cursive style with a large, looping initial 'F' and a long, sweeping tail.

Chairman, Committee on Domestic Justice and Human Development  
United States Conference of Catholic Bishop