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November 21, 2017

Office of Senator Ron Johnson  
219 East Washington Avenue  
Suite 100  
Oshkosh, Wi 54901

Dear Senator Johnson,

Your opposition to the tax bill's favored treatment of "C" corporations at the expense of other businesses is well founded.

What is so obvious and so disheartening about this so-called "Reform" bill is that it will create an enormous increase in the Deficit. It is surprising to hear you praise increasing the deficit when just a few years ago---

September 11th, 2012 in a campaign speech to be precise---you were complaining that *Deficit spending "exploded during the Obama administration"*. Now that you have been re-elected, you seem to think a \$1.5 Trillion increase in the deficit is no big deal. We think it is a big deal. We believe it is a terrible thing to do to the American people to whom you promised fiscal prudence.

The other major disappointment in this bill is its lack of any meaningful improvement in tax fairness. You are correct that there is nothing fair about allowing multi-national "C" corporations to continue to register their profits wherever tax laws are low and weak. Taxes on profits should be apportioned based on the site where the sales occur. That is a simple and straight forward approach. Profits on I-phones sold in the U.S. should be taxed in the U.S. Stashing trillions of profits off-shore, using gimmicks like registering in Ireland, Panama, Luxemburg, or the Cayman Islands is cheating. This bill allows that to continue. It's wrong!

It is also unfair to make the corporation tax cuts permanent but the much-needed middle-class tax cuts temporary. That is fundamentally dishonest to middle America including small businesses here in Wisconsin. They won't find that out until later when the cuts are pulled back.

It is also wrong to open new loopholes for businesses while eliminating deductions for student debt, medical expenses, and state and local taxes. None of this is true reform.

The biggest lie, though, is the one at the root of this tax bill---the fantastical claim that borrowing \$1.5 trillion from your children and grandchildren and mine, to pay for it, will create a bonanza of growth in revenue and jobs.

You are a businessman. You know growth comes from demand. There is an awful lot of capital on the sidelines already. In fact, trillions in profits parked overseas. This tax bill puts only a small amount of additional money in the hands of workers who may spend it to create additional demand. Most of the money is going to people and companies who will spend it on dividends, corporate salaries, mergers and consolidations. Just as they have after past tax holidays.

New factories are built to meet new demand. There isn't much demand right now. Expensing equipment and retooling and consolidation will mean more robots and fewer jobs not more jobs. It is fraudulent to claim otherwise.

What would create demand is rebuilding America's infrastructure. That would mean jobs right here in America. However, when you get around to the long-promised infrastructure legislation to rebuild America, the cash drawer will be empty. The money to rebuild America's infrastructure is what is being given away by this bill.

In the past, Americans voted Republican because they believed businessmen like yourself were hard headed, clear-eyed thinkers. "The Tax Cuts and Jobs Bill" is not reform. It is not hard headed and not clear-eyed. It isn't even sound fiscal policy for our country.

Sadly, it is nothing more than the same non-sensical voodoo economics that led to the last economic collapse. The one we are just now pulling out of.

We hope you will come to your senses and continue to oppose this very bad bill. Your constituents deserve no less from you.

Sincerely,