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State Representative Joshua E. Williams
Ohio House of Representatives

Chairman Hall, Vice-Chair Ferguson, Ranking Member Humphrey, and members of the House Government Oversight Committee, thank you for the opportunity to testify in support of HCR 8 today.

HCR 8 is a simple resolution with the potential to have major impact on Ohioans and all Americans. HCR 8 urges our federal Congress to make the 2017 Tax Cuts and Jobs Act (TCJA) permanent to ensure continued prosperity through lower and simpler tax obligations for citizens and businesses.

Introduced in 2017 by Representative Kevin Brady (TX) and championed by President Trump, the TCJA is a sweeping overhaul of the Internal Revenue Code of 1986. This legislation prompted numerous changes to almost every facet of tax collection in the United States. For individual income taxes, it changed the income level of tax brackets, lowered tax rates, increased standard deductions and family tax credits, reduced itemized deductions, and eliminated personal exemptions.

For corporations, the system was altered from a tiered rate ranging from 15% to 39% to a flat rate of 21%. For previously untaxed accumulated earnings in foreign territories, a one-time repatriation tax was imposed with preferred lower rates of 15.5% on cash or cash equivalents and 8% on other earnings. As these rates are lower than the standard corporate

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rate, this provision incentivizes American corporations to bring back foreign earnings to the US and invest it here.

Accompanying numerous other tax reforms, these main provisions of the bill are indicative of a pro-business, pro-growth, and innovative administration. These reforms were instrumental in the initial economic expansion seen during President Trump's first term in office. According to a collaborative study by the National Bureau of Economic Research and the US Treasury Department, the TCJA will contribute to increased domestic investment of firms by 20%, 7.4% growth in US domestic corporate capital stock, a 0.9% increase in real wages, and an increase of foreign capital by US multinational firms by 10-18%¹.

As written, this legislation sunsets many provisions in 2025. By allowing these revolutionary changes to expire, the United States and Ohio will miss out on substantial economic growth, investment, and innovation. This expiration will also create uncertainty for individuals and businesses when filing taxes and planning long-term investments. Thus, as a legislature, we must urge our federal representatives to make the TCJA permanent and commit to prosperity for all. Chairman Hall, Vice-Chair Ferguson, Ranking Member Humphrey, and

¹ <https://www.nber.org/papers/w32180>

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members of the Government Oversight Committee, thank you for the opportunity to testify in support of HCR 8. I welcome any questions you may have.