

# United States Senate

WASHINGTON, DC 20510

February 19, 2025

Tom Barthold, Ph.D.  
Chief of Staff  
Joint Committee on Taxation  
502 Ford House Office Building  
Washington, D.C. 20515

Dear Dr. Barthold:

In light of Republican attempts to pass major tax legislation this year, we write to learn more about the scoring methods used by the Joint Committee on Taxation (JCT).

As you know, many of the tax provisions contained in President Trump's 2017 *Tax Cuts and Jobs Act* (TCJA) are set to expire in 2025.<sup>1</sup> This expiration is happening because Republicans wanted their legislation to "only" add \$1.5 trillion to the deficit over a decade, and the 10-year cost of the full slate of tax cuts they proposed would have been nearly 50% larger.<sup>2</sup> Thus, in order to squeeze in as many cuts for billionaires and massive corporations as possible, Republicans set the majority of the cuts to expire in 2025 – and even then, TCJA ultimately exceeded the budget Republicans set, costing almost \$2 trillion over time.<sup>3</sup>

Now, Republicans are seeking to extend their tax cuts, which would cost about \$3.4 trillion over the next ten years, according to your estimates,<sup>4</sup> or about \$4.6 trillion, according to Congressional Budget Office (CBO) estimates once business provisions are extended and interest is included.<sup>5</sup> The package would give an American in the bottom 60% less than 1 cent for every dollar in tax cuts going to someone in the top 0.1%.<sup>6</sup> Some Republicans have claimed

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<sup>1</sup> Congressional Research Service, "Tax Cuts and Jobs Act (TCJA) Expiring Tax Provisions: Economic and Distributional Effects," April 22, 2024, <https://crsreports.congress.gov/product/pdf/IF/IF12641>.

<sup>2</sup> Politico, "GOP deficit debate out in the open," Bernie Becker, November 25, 2024, <https://www.politico.com/newsletters/weekly-tax/2024/11/25/gop-deficit-debate-out-in-the-open-00191456>; Committee for a Responsible Federal Budget, "How Much Will Trump's Tax Plan Cost?," April 26, 2017, <https://www.crfb.org/blogs/how-much-will-trumps-tax-plan-cost>.

<sup>3</sup> Congressional Budget Office, Letter to Senator Mike Braun, October 28, 2019, <https://www.cbo.gov/system/files/2019-10/55743-CBO-effects-of-public-law-115-97-on-revenues.pdf>.

<sup>4</sup> Joint Committee on Taxation, "Methodology For Analyzing The Macroeconomic Effects Of Proposed Changes In Tax Law," December 12, 2024, <https://www.jct.gov/publications/2024/jct-methodology-for-analyzing-macroeconomic-effects-2024/>.

<sup>5</sup> Congressional Budget Office, "Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues," May 8, 2024, <https://www.cbo.gov/publication/60114>.

<sup>6</sup> U.S. Department of the Treasury Office of Tax Analysis, "The Cost and Distribution of Extending Expiring Provisions of the Tax Cuts and Jobs Act of 2017," p. 7, January 10, 2025, <https://home.treasury.gov/system/files/131/The-Cost-and-Distribution-of-Extending-Expiring-Provisions-of-TCJA->

that a TCJA extension would not have any impact on the deficit and that Congress does not need to budget for that additional \$4.6 trillion.<sup>7</sup> This is magic math. The deficit cost of tax cuts is real, even for those who do not like the way the math works. After hardworking Americans paid their rent in December, they still had to budget for rent in January. Rent is not free because you paid last month's rent. Congress does not get to ignore that same basic math when it comes to funding more tax cuts for the wealthy.

Measuring the cost of a tax bill requires a baseline to evaluate the bill against – and by law, that baseline has been “current law.” A “current law” baseline means that if a tax cut is set to expire, as much of the TCJA will under law, extending the tax cut costs money.<sup>8</sup> But Senate Republicans have suggested that this year's tax bill should be evaluated based on an assumption that existing cuts will be extended, known as the “current policy baseline.”<sup>9</sup> This sleight-of-hand would still drive up the deficit by \$4.6 trillion – but would allow Republicans to claim that the price tag of extending TCJA is zero dollars.

All costs must be counted at some point, and since the full cost of TCJA was not counted in 2017, it must be accounted for now if Republicans choose to extend the law. The \$4.6 trillion addition to the deficit produced by extending the TCJA does not simply disappear. In fact, in 2017, a reporter asked about concerns regarding the deficit impact of extending TCJA this year, and a Republican senator responded that “a future Congress is going to have to deal with the exact same rules this Congress has to deal with” – rules that assume expiring provisions will indeed expire and that extending them would add to the deficit.<sup>10</sup>

The JCT is a nonpartisan committee whose role is to provide Members of Congress unbiased expertise and revenue estimates for tax legislation.<sup>11</sup> To the best of your knowledge, please answer the following questions by March 5, 2025:

1. Is JCT's default approach to scoring tax legislation to score it on a current law baseline or a current policy baseline? How long has this been the Committee's approach?
2. Has JCT ever produced a score on a current policy baseline for official use on the Senate floor?
3. Assuming JCT were not directed by members of Congress to score the bill in a particular way, would JCT use a current law baseline or a current policy baseline to score a 10-year extension of TCJA?

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<sup>7</sup> Reuters, “To extend Trump's 2017 tax cuts, Republicans seek to overlook the cost,” David Morgan, February 14, 2025, <https://www.reuters.com/world/us/extend-trumps-2017-tax-cuts-republicans-seek-overlook-cost-2025-02-14/>.

<sup>8</sup> Congressional Budget Office, “CBO Explains How It Develops the Budget Baseline,” April 2023, <https://www.cbo.gov/publication/59085>.

<sup>9</sup> Roll Call, “Chief Senate GOP tax writer floats alternative cost estimate for 2025 package,” Caitlin Reilly, September 18, 2024, <https://rollcall.com/2024/09/18/chief-senate-gop-tax-writer-floats-alternative-cost-estimate-for-2025-package/>; Tax Policy Center, “CBO Finds TCJA Expirations Would Boost the Economy,” Renu Zaretsky, December 5, 2024, <https://taxpolicycenter.org/daily-deduction/cbo-finds-tcja-expirations-would-boost-economy>.

<sup>10</sup> C-SPAN, “Federal Government Waste Report,” November 27, 2017, <https://www.c-span.org/program/news-conference/federal-government-waste-report/492043>.

<sup>11</sup> Joint Committee on Taxation, “About Us,” <https://www.jct.gov/about-us/overview/>.

4. If JCT were to employ a current policy baseline, would you have estimated a budgetary impact from an extension of the child tax credit expansion from the American Rescue Plan Act (ARPA)?
5. If JCT were to employ a current policy baseline, would you estimate a budgetary impact from an extension of the Affordable Care Act (ACA) enhanced insurance premium tax credit, which is otherwise set to expire in 2025?

Thank you for your attention to this important matter.

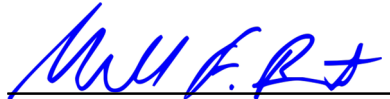
Sincerely,



Elizabeth Warren  
United States Senator



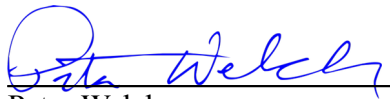
Catherine Cortez Masto  
United States Senator



Michael F. Bennet  
United States Senator



Mark R. Warner  
United States Senator



Peter Welch  
United States Senator