



June 4, 2019

Facing Largest Tax Hike In Modern History, It's Time For Congress To Do Its Job

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Richard Neal
Chairman, House Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Grassley
Chairman, Senate Finance Committee
U.S. Senate
Washington, DC 20510

Dear Congressional Leaders:

Last week President Trump announced new tariffs on all Mexican imports beginning at 5 percent on June 10 and increasing incrementally to 25 percent on October 1 “unless and until Mexico substantially stops the illegal inflow of aliens coming through its territory.”

Tariffs are taxes paid by Americans, and the president’s tariffs on Mexican imports would cost Americans \$17 billion a year at 5 percent, and \$87 billion at 25 percent. If these and other threatened tariff increases are added to the nearly \$70 billion in tariffs implemented over the past 18 months, the cost to Americans would be \$303 billion a year, or \$3 trillion over ten years – and, according to the National Taxpayer Union Foundation **the largest tax hike in post-World War II history.**

Our nation’s trade policies should be used to increase economic growth and opportunity. Indeed, reductions in U.S. tariffs since World War II have boosted our economy by 7.3 percent translating to additional income of \$10,000 per American household according to the 2015 Economic Report of the President. Because tariffs are a tax on Americans and hurt our economy, increasing tariffs to advance national security interests should be extremely rare, and always done with the oversight and approval of Congress. Unfortunately, under existing laws, Congress has delegated to U.S. presidents unilateral authority to increase tariffs.

Moreover, these tariffs are unlikely to help address the nation’s immigration challenges. The best way to accomplish that is for Congress and the president to work together to update laws that have not been changed in decades, and which do not work as intended. In fact, to the extent they harm the Mexican economy, tariffs may have the unintended effect of increasing pressure for unlawful immigration.

Given the potential damage to our economy and our national interests, we believe it is time for Congress to reclaim its constitutionally mandated authority to impose tariffs, and to prevent further unilateral tariff increases by the president. There are currently a number of bipartisan proposals in Congress to do just that. We urge your quick and decisive action.

Sincerely,

Tim Phillips
President, Americans for Prosperity

Daniel Garza
President, The LIBRE Initiative