LOBBY VISIT INFORMATION

June 12-13, 2018

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CWA Member Name Congressmember's Name

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Congressional Staff Member

<u>Support for The Call Center Bill (S. 515/H.R. 1300)</u>

Background:

- With the decimation of U.S. manufacturing, many communities have focused on creating customer service/call center jobs through the offering of tax incentives, grants and loans.
- These can be good family supporting jobs, especially when they are union jobs.
- Unfortunately, these jobs are now increasingly shipped overseas, once again devastating communities.
- These jobs are often offshored to countries where workers are exploited through very low pay and dangerous working conditions (A recent call center fire in the Philippines resulted in workers unable to escape and dying in the fire).
- Due to the exploitation of these workers they can fall prey to black marketers trying to confiscate U.S. consumers' personal information for identity theft.
- Offshoring customer service jobs is bad for taxpayers, bad for consumers and especially bad for US workers.
- U.S. taxpayer money should not be awarded to companies that make a practice of sending U.S. jobs overseas and instead should go to companies focused on creating U.S. jobs.
- Bipartisan legislation has been introduced in the House and in the Senate to address some of these issues – HR 1300 introduced by Rep. David McKinley (R-W.V.) and Gene Green (D – T.X.) and S. 515 by Senator Bob Casey (D-PA).
- The legislation would do the following:
    - **Creates a publicly available 'bad actor' list of U.S. Companies that send U.S. call center or customer service jobs overseas.** The list would be kept by the Dept of Labor, and these 'bad actors' will remain on the list for up to 5 years after each relocation instance. These companies would be ineligible for Federal grants or guaranteed loans. Preference for civilian or defense related contracts will be given to US employers that do not appear on the list.

- **Disclosure of Call Center Location to U.S. Consumers:** It requires the relocated overseas call center agent to disclose their name and physical location of their operation.
- **Right to Transfer:** The U.S. consumer will have the right to request the call be transferred to a customer service agent who is physically located in the United States.

ASK: Will the Senator/Representative cosponsor S. 515/H.R. 1300?

_____ Supports _____ Opposes

_____ Undecided

Comments/Needs Following Information:

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Tax Fairness

- The recently enacted tax law greatly benefits billionaires, Wall Street, and companies that offshore U.S. jobs.
- It was also sold with the promise from President Trump and Congressional Republican Leadership that it would increase household income by at least $4,000 more a year and result in the creation of numerous jobs.
- We have not seen permanent wage increases, just a few companies gave $1,000 bonuses – far from the promised $4,000 minimum annual wage increase.
- And corporations are not creating jobs here in the U.S. – AT&T is a perfect example. CEO Randall Stephenson said they would create at least 7,000 additional jobs yet we have only seen job cuts from the company.
- It created a perverse tax incentive to offshore U.S. jobs as well.
- We believe that the tax code should be reformed but it should be reformed to ensure that Wall Street especially pays its fair share of taxes.
- We believe that the following pieces of legislation should be enacted to create greater tax fairness.

Today, we are asking you to take action now to support several pieces of tax fairness legislation, the "No Tax Breaks for Outsourcing Act", "The Reward Work Act", the "Carried Interest Fairness Act" and bills to create a Wall Street Sales Tax.

"No Tax Breaks for Outsourcing Act" (S. 2459/H.R. 5108)

- This important legislation would eliminate the incentives to move jobs overseas that were significantly worsened by last year's tax legislation.
- The new tax rate for profits from jobs sent overseas will be only 10.5%, compared to 21% for profits from American work.
- The new tax law creates additional deductions that companies can take for their overseas profits which means that companies can get an even bigger tax cut if they open facilities like call centers or factories for investing in more equipment in their operations outside the U.S.
- According to the Institute on Taxation and Economic Policy, the end result of these changes would be "many companies paying nothing in U.S. taxes on these earnings."
- The "No Tax Breaks for Outsourcing Act" (S. 2459/H.R. 5108) would remove this terrible tax incentive to offshore US jobs by repealing deductions for outsourcing jobs.

"The Reward Work Act" (S. 2605/House bill introduced today)

- Companies use stock buybacks to manipulate their share prices and because corporate executives are often paid bonuses based on the company's stock price or their salaries are partially paid in stock, corporations are likely to use buybacks to benefit themselves.
- The activity was once illegal. Up until 1982, stock buybacks were considered a form of market manipulation.
- Now that the majority of corporate profits go to buybacks, there is little money left to invest in workers and the future growth of the company.
- For example, in 2015, Verizon bought back $5 billion in stock – and then told striking CWA members just a year later that the company couldn't afford to provide pay increases or guarantee job security.
- Since passage of the Republican tax bill, we've seen little of the benefit go to workers and a lot go to stock buybacks. Stock buybacks have doubled this year and are expected to reach $800 billion by the end of the year.
- "The Reward Work Act", introduced in the Senate by Senator Tammy Baldwin and just today in the House by Rep. Keith Ellison, would reverse the 1982 SEC decision that allowed stock buybacks and would ban companies from buying back their stock on the open market.

"Carried Interest Fairness Act" (S. 1689/H.R. 2889)

- Wall Street privilege is exemplified by this tax loophole which allows hedge fund managers to pay a 20 percent tax rate on their income, rather than the 39.6% rate ordinary income rate that they would normally have to pay.
- Some of the wealthiest Americans pay a much lower tax rate than millions of workers like me.
- Many leading tax experts from both parties agree that investment fund manager's compensation for their work should not be treated as "capital gains" and taxed at a normal rate.
- Closing this oversight and egregious tax loophole would generate $15.6 billion over 10 years according to the Joint Committee on Taxation.
- 68% of the public opposes this loophole.

Instituting a Wall Street Sales Tax

There are two bills that would implement a Wall Street Sales Tax:

1. H.R.1144 / S.805, Inclusive Prosperity Act of 2017 – sponsored by Rep. Keith Ellison (MN-05) in the House; sponsored by Sen. Bernie Sanders (D-VT) in the Senate
    - This bill would impose a 0.5 percent tax for stocks (50 cents on $100)
2. H.R.2306, Putting Main Street First: Finishing Irresponsible Reckless Speculative Trading Act – sponsored by Rep. Peter DeFaizo (OR-04) in the House
    - This bill would impose a 0.03 percent tax for stocks (30 cents on $100)

- Everyday Americans pay a sales tax when they purchase goods, whether it's a car or groceries. However, Wall Street does not pay a sales tax on their trades, which results in an unfair system of treatment between Wall Street and Main Street.
- Every country in the world with a major financial sector has a financial transaction tax. In addition, the EU is moving towards implementing and EU wide tax. It's a common tax used in the rest of the world to stop dangerous speculative behavior in the markets and provide tax fairness.
- Research has shown that a Wall Street Sales Tax is enough of a deterrent to stop the high risk, high speed speculative trading that lead to micro-crashes in the market. Additionally, some experts have estimated a Wall Street sales tax could raise $700 billion in revenue!
- CWA is supportive of both bills – we believe in implementing a Wall Street sales tax to restore the fairness in our financial system. We do not prefer one bill over the other.
- CWA does not have a specific program in mind for the use of the revenue from such a tax.

ASK: Will the Senator/Representative cosponsor our Tax Fairness Legislation?

_____ Supports _____ Opposes

_____ Undecided

Comments/Needs Following Information:

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