

Rep. Vince Fong (CA-20) Testimony

Thank you, Mr. Chairman, for hosting this opportunity for Members to share their thoughts on tax reform.

As I talk to people in California's Central Valley about potential tax hikes, it's clear America needs a tax code that enables taxpayers to provide for their families and invest in their communities.

Here's the reality in the 20th District of California. If the Trump Tax Cuts expire, workers, families, farmers, and small businesses will pay 21% more in taxes. This means for a family of 4 in my district with a median family income, they would pay \$2,000 more in taxes a year – the equivalent of 9 weeks worth of groceries.

That's why I'd like to thank you, Chairman Smith, and all the Members of the Committee for beginning the important work last Congress of pro-growth tax incentives to guarantee relief for American families, strengthen our small businesses, and reinvest in our supply chain and American manufacturing. To build upon that work, I would like to highlight some tax ideas to consider as we work to extend the Trump Tax Cuts and revitalize opportunities across California and our nation.

My district is filled with family farmers and small business owners. Addressing the Death Tax would significantly relieve a burden for many family farms, where relief from this unfair tax would allow future generations to continue their farming legacies in rural communities. In addition to important extension of lower marginal tax rates, farms across America would continue to benefit from increased and immediate expensing, especially in the Central Valley, where we produce nearly half of the nation's specialty crops – crops which require specialized machinery for harvesting, planting, and irrigation.

Small business owners are the backbone of the American economy, employing almost half of the U.S. workforce; this is no different in my district. While we must continue to keep corporate tax rates low so American companies can compete with foreign competitors, small businesses must also be able to continue to compete, which is why, the Small Business Pass-Through Tax Deduction will allow them to continue to create jobs and invest in our communities.

The Central Valley, where I call home, is the Energy Capital of California. We produce 70 percent of the oil and gas in California and nearly 60 percent of California's renewable energy. But demand will continue to grow, especially with the growth of even more data centers, requiring more and more energy to fuel AI capabilities and applications. America must work not only toward energy independence, but also energy abundance. Allowing geological and geophysical expenditures to be recovered are critical to incentivize further domestic oil exploration and ultimately allow Americans to see lower prices at the pump.

Finally, we must prioritize tax policy that supports American families. The Child Tax Credit supports parents as they strive to meet the financial challenges of the day. It helps relieve parents' financial stress, whether they're saving for emergencies or college education. Being a parent is one of the most important jobs there is. That's why it's critical to maintain a strong Child Tax Credit to relieve financial strain on families as our country recovers from high inflation.

I urge Congress to quickly work to extend the Trump Tax Cuts. There are real-world implications, and hard-working Americans are relying on us. It is our duty as Members of Congress to ensure a strong economy for our fellow Americans. Doing so will ensure that Congress delivers on President Trump's promise of a strong economy for all Americans, including the working families, farmers, and small businesses in my district.

Thank you, Mr. Chairman. I yield back.