



National
Multiple Sclerosis
Society

November 28, 2017

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
S-2310 Capitol Building
Washington, D.C. 20510

The Honorable Chuck Schumer
Democratic Leader, U.S. Senate
S-221 Capitol Building
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
House Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Leader McConnell, Leader Schumer, Speaker Ryan, and Leader Pelosi:

On behalf of the National Multiple Sclerosis Society (Society), I would like to offer comments related to several provisions of the *Tax Cuts and Jobs Act* and its potential impact on people living with multiple sclerosis (MS), MS researchers, and our organization. The Society works to provide solutions to the challenges of MS so that everyone affected by this disease can live their best lives. To fulfill this mission, we fund cutting-edge research, drive change through advocacy, facilitate professional education, collaborate with MS organizations around the world, and provide services designed to help people affected by MS move their lives forward.

MS is an unpredictable, often disabling disease of the central nervous system, which interrupts the flow of information within the brain and between the brain and the body. Symptoms range from numbness and tingling to blindness and paralysis. The progression, severity and specific symptoms of MS in any one person cannot yet be predicted, but advances in research and treatment are moving us closer to a world free of MS.

The Society is monitoring several provisions of the Senate version of the *Tax Cuts and Jobs Act* that may have significant impact of people living with MS. We appreciate the goal of simplifying the tax code, and wanted to highlight some unintended consequences and harmful impact for people with MS. While we know some of these provisions differ between the House-passed bill and the current Senate version, we wanted to provide robust comments on provisions that have received a lot of attention and discussion over the past few weeks.

Impact on Health Care and Access

Medical expense deduction

The Society opposes eliminating the medical expense deduction and therefore, is pleased that the Senate version of the *Tax Cuts and Jobs Act* would preserve it. MS is a chronic, expense disease with annual direct



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medical expenses averaging as much as five times more for people living with the disease compared to others. For the past 75 years, Americans with high health care costs including many with MS have been able to deduct certain medical expenses from their taxes. Medical expenses that qualify for this deduction include amounts paid for prevention, diagnosis, treatment, equipment, qualified long-term care services costs as well as long term care insurance premiums. This deduction helps people with MS access needed health care and treatments and avoid financial devastation.

Accessibility Tax Credit

The Society opposes repealing the Disabled Access Credit and is therefore grateful that the Senate bill would not eliminate it. This important credit provides small businesses a non-refundable tax credit up to \$5,000 to comply with the Americans with Disabilities Act, improve accessibility and enable people with disabilities to fully engage in their communities.

Repeal of the Individual Mandate

We are opposed to the inclusion of repealing the Affordable Care Act's requirement that people get health insurance or pay a penalty in any final tax reform legislation. The Congressional Budget Office's recent estimate of repealing the individual mandate would leave 13 million more people uninsured, raise premiums by approximately 10%, and cause uncertainty and instability in the individual health insurance market. The Society is concerned that premium increases would fall disproportionately to people with pre-existing conditions who have little choice but to remain in the market. While the current law is not perfect, the Society urges Congress to work in a bipartisan manner to stabilize the market and increase—rather than decrease—access to coverage.

Pay-for challenges

We have serious concerns regarding the decrease in federal revenue proposed under the *Tax Cuts and Jobs Act*, potentially over \$1.5 trillion over the next ten years. Any decrease in federal revenue will have negative implications for the overall federal budget as cuts will need to be made to mandatory spending programs. Cuts to Medicare of \$25 billion (4%) have been projected, as well as cuts to the Centers for Disease Control (CDC) and other public health and research agencies. These cuts are especially troubling, as the budget resolution that Congress adopted in November calls for \$5.8 trillion in program cuts over the coming decade. These include \$1.8 trillion in cuts in Medicaid, Medicare, and other health care entitlement programs and \$800 billion in cuts to the non-defense discretionary side of the budget, which will significantly impact scientific and medical research, protection of the U.S. food and medical product supply, and long-term services and supports for people with chronic conditions. We cannot support a tax proposal that places these important programs in jeopardy.

Impact to Non-Profit Organizations

Charitable Giving – Universal Charitable Giving Deduction

Like many other nonprofit organizations, the National MS Society relies on charitable donations to help people with MS live their best lives while we work to stop MS in its tracks, restore lost function and end the disease forever. In 2017, the Society received more than \$6 million dollars from donations between the



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amounts of \$1,000 and \$10,000. While the *Tax Cuts and Jobs Act* preserves the charitable deduction within the text of the legislation, it proposes significantly increasing the standard deduction that individuals and families can take (\$12,000 individual/\$24,000 for married couples), while significantly reducing or eliminating the amount of personal, state and local tax deductions that a person can claim or itemize on their taxes. This increase in the standard deduction means that approximately 95% of individuals would lose the ability to itemize on their taxes.

We are worried that the practical impact of the increase in the standard deduction would be to disincentive charitable giving, as most people would no longer receive any benefit by deducting their charitable giving from their taxes. The Society recommends that a universal charitable deduction be added to tax reform proposals. This deduction would offer a practical incentive to showcase the importance of private philanthropy for nonprofit organizations, like the Society, to help others live their best lives.

Impact on Future Researchers and Fellows

Tuition Assistance and Student Loans

The Society is pleased that the Senate bill retains the tax credit for payment of student-loan interest and exemptions which allow graduate students to avoid paying taxes on the tuition waivers they receive when they work as research or teaching assistants. Any final tax legislation must retain these key exemptions and credits for graduate students. Elimination of these provisions combined with limited investment in medical research at the federal level would be devastating to medical research and further dissuade many undergraduate and graduate students from pursuing a career in basic science.

As Congress debates the provisions of a final bill to reform the U.S. tax code, we ask that you keep our comments and recommendations in mind. If you have any questions, please contact Bari Talente, Executive Vice President of Advocacy, at bari.talente@nmss.org or 202-408-1500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Zagieboylo', with a long horizontal flourish extending to the right.

Cynthia Zagieboylo
President & CEO
National Multiple Sclerosis Society

CC: All U.S. Senators