

Breaking promises and impoverishing Latino workers and families

U.S. Senate should reject the bill

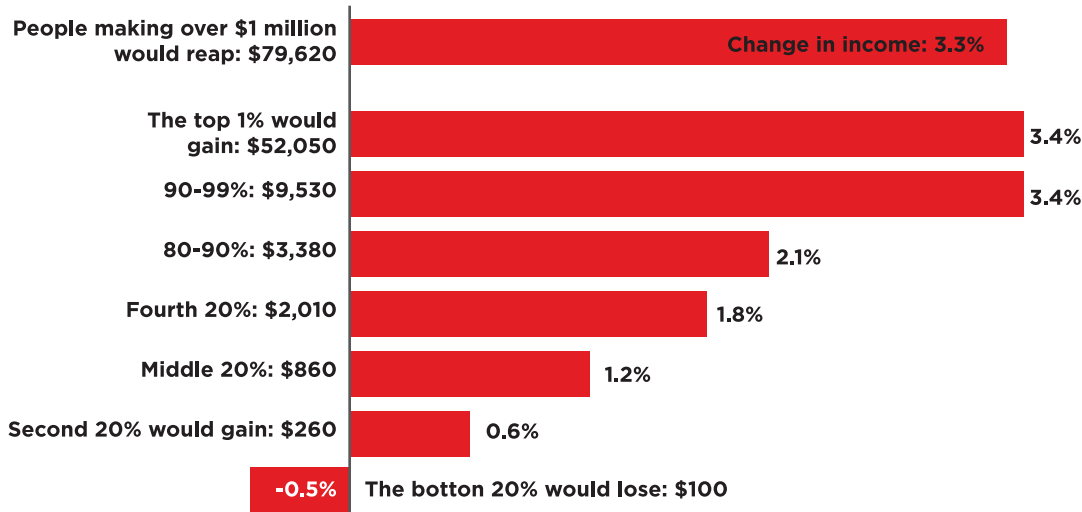
In last Fall's elections, federal lawmakers promised the American people — including Latino voters — that they would address cost of living and affordability issues for working families. These pocketbook issues are still top priorities for voters and were reflected in the recent [UnidosUS's 100-day poll](#), which showed growing public concerns toward cost of living, jobs, housing and health care affordability.

Yet the proposed 2025 tax plan would instead inflict serious damage on the American economy, breaking promises made to voters by defunding programs for working-class families, including millions of Latinos. While policymakers should be addressing the economic difficulties of families, this bill, if passed, would cut life-saving programs for health, food and nutrition, deliver tax cuts only for the wealthy, exclude millions of U.S. citizen and immigrant children from benefits and fund mass deportations on the backs of working Americans.

As the chart shows, 20% of taxpayers, the lowest-income families in our country, would lose money under the proposal, while upper-bracket households get thousands of dollars and the wealthiest 1% get a windfall of \$52,000 annually.

House Republican tax plan: Wealthy benefit from large, permanent cuts; Lowest-income families see an eventual tax increase

Annual percent and dollar change in after-tax income, 2025



Source: Percentage and dollar changes in after-tax income for bill including estate tax cuts calculated from JCT table JCX-23-25, and adjusted to incorporate the impact of estate tax cut with CBPP calculations based on Tax Policy Center tables T25-0042, T22-0100 and T22-0101.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

(Source: House Republican Tax Plan: Wealthy Benefit From Large, Permanent Cuts; Lowest-Income Families See an Eventual Tax Increase | [Center on Budget and Policy Priorities](#))

The message is clear: this bill prioritizes wealthy Americans over working-class families. Individuals earning up to \$20,000 would see their after-tax income drop by over \$1,000 while millionaires stand to gain an average of \$90,000 in tax breaks.

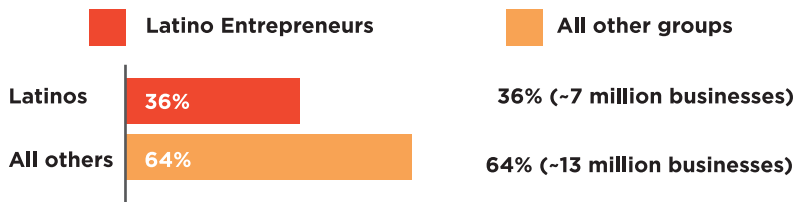
This legislation abandons working-class Americans, including Latino families and workers who power the economy and contribute billions in taxes every year. They deserve their economic concerns to be addressed — not to be penalized to fund tax breaks for the rich.

The millions of Latinos in the bottom 20% or lower income brackets would be deeply hurt by the tax and the bill's other provisions.

Here's how millions of Latinos would be impacted by the tax provisions in the measure:

New business creation (2017-2021)

Latino-owned new businesses out of 20 million total applications

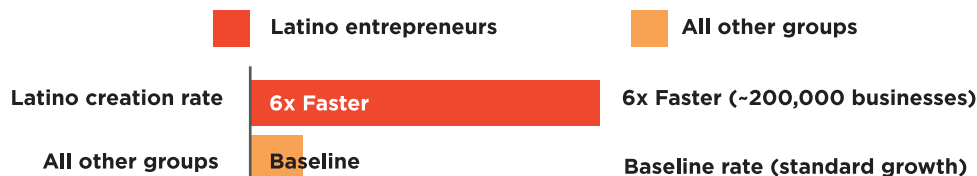


Source: McKinsey & Company - "The growth of Latino entrepreneurs in America"; U.S. Census Bureau Business Formation Statistics

Latina business creation leadership

406,086 Total Hispanic-owned businesses as of 2021

\$572.9 Billion Annual receipts from Latino-owned businesses



Latina entrepreneurs represent nearly 50% of all Latino businesses.

Source: McKinsey & Company; U.S. Census Bureau Business Survey (ABS) 2022, covering reference Year 2021

(Source: [House Republican Tax Plan: Wealthy Benefit From Large, Permanent Cuts; Lowest-Income Families See an Eventual Tax Increase](#) | Center on Budget and Policy Priorities)

Latinos contribute [\\$4.1 trillion](#) to the American economy and have been responsible for over 58% of the labor force. Latina entrepreneurs represent nearly half of all Latino businesses and [create businesses six times faster than any other group](#) in the United States.

In addition to the terrible tax impacts, the bill would cruelly exclude the families of millions of U.S. citizen children from the Child Tax Credit

The Child Tax Credit (CTC), a tax credit designed to provide financial relief to families, allowing them to [afford basic necessities](#) like food and child care, is one of the most successful anti-poverty programs ever [created](#). The proposed bill would not allow families who lack Social Security numbers to benefit from the current CTC when filing their tax returns. The families of 1 million children would be excluded from this tax credit.

The proposed tax plan would also exclude an alarming [4.5 million](#) children who have a single parent without a Social Security Number, but who pay taxes with a tax identification number, even if their other parent is a U.S. citizen.

These U.S. citizen children will be denied the same benefits as their peers merely because they have an immigrant parent, violating the principle of equal protection under law for all U.S. citizens. This would devastate families across our country, including Latinos, who already face child poverty rates [three times](#) higher than that in white families. Additional provisions around income eligibility [will exclude close to 20 million children](#) from accessing the full tax credit because their families do not earn enough, and 39% of these children are also Latino.

Earned Income Tax Credit (EITC) exclusions would impact Latino working-class households

The EITC, a refundable tax credit for low-to-moderate income working individuals and families, is used to pay for necessities like groceries, rent, clothing and school supplies, serving as another powerful [tool in reducing poverty](#). Yet taxpayers who follow federal law and use Individual Taxpayer Identification Numbers (ITINs) are [currently excluded](#) from the EITC's benefit. This impact is felt the most in Latino families, where [54% of children](#) currently reside with one immigrant parent.

The bill would continue this harmful policy, and [would add new verification paperwork burdens for everyone](#), making it harder for those who qualify to access the tax credit. Approximately [3 million of Latinos claimed credit during its expansion](#) — the proposed red tape and additional restrictions would further decrease access to all eligible Americans.

New provisions on health care tax credits jeopardize coverage of millions of low-income taxpayers and would raise costs for families

Premium tax credits provide much-needed support to cover health premiums — [with an estimated 5 million Latinos benefiting from enrollment](#).

Updated provisions in the bill would bar many [legal permanent residents from qualifying for certain coverage and take away premium tax credits that help low-income people buy health insurance](#). An estimated [4.2 million people would lose coverage, disproportionately impacting Latinos](#). In addition, approximately [3 million small businesses owners and self-employed workers](#) would see their costs increase because the bill does not extend premium tax credit enhancements.

New policies in the bill similarly perpetuate economic harms and exclusions:

“No tax on tips” policies would exclude millions of workers

- Lower-income employees are disproportionately people of color, and [more than 30% of gig workers](#) who also receive tips are Latino.
- The bill includes a temporary deduction for qualified tips, which primarily serves as a tax break for tipped workers by reducing their taxable income. The proposal to exclude tax on tips is harmful because it would decrease a worker’s taxable income, making them ineligible to claim certain credits.

Remittance taxes are punitive and would drive up costs

- The bill imposes a [3.5% tax on all remittances, penalizing those who send money to support their families abroad](#). A limited tax credit is available, but only for those who can prove they paid enough in U.S. income taxes to offset the remittance tax — creating yet more red tape.
- The policy is a [direct financial hit to working-class immigrants](#) and communities that rely on cross-border family support.

We urge lawmakers to OPPOSE this harmful bill.
For more information, [contact Lisette Orellana Engel via email.](#)