



U.S. House of Representatives  
WASHINGTON, DC 20515

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*Paul Ryan*  
M.C.  
PRSRT STD

## ANNUAL REPORT TO TAXPAYERS



### U.S. House of Representatives Congressman Paul D. Ryan

December 2017

Dear Fellow Taxpayer:

Many Americans are concerned about the direction our country is headed—and rightly so. That’s why my House Republican colleagues and I put together a complete agenda, called “A Better Way,” to tackle some of the biggest challenges facing our country. In it, we laid out our commitment to fight poverty person-to-person, strengthen our national security, rebuild a healthy economy, restore the Constitution, repeal and replace Obamacare with patient-centered reforms, and fix our tax code. Together, these proposals would help create jobs and expand opportunity for hardworking Wisconsinites.

And, as was promised, my colleagues in the House and I have spent 2017 tackling the significant issues outlined in “A Better Way.” In fact, the House passed more bills during the first six months of this administration than all four of the previous administrations combined.

Included among our accomplishments is real tax reform that will help you—the hardworking taxpayer—keep more of your paycheck in your pocket. And, while this *Annual Report to Taxpayers* focuses largely on discussing the many ways this historic tax reform will positively impact you, it is also worthwhile to highlight Congress’ other work in 2017 delivering some of the biggest reforms in decades. Such reforms include:

- Landmark reforms to help our **veterans** receive the high-quality care and services they deserve
- Record **regulatory relief** to save businesses and individuals billions in both time and costs to comply with unnecessary and burdensome regulations
- The largest increase in funding for **border security** in years, which will provide the resources needed to stem the flow of illegal activities at our borders
- A \$21 billion dollar increase in **defense** spending to provide much-needed resources to rebuild our military and keep our nation safe
- \$781 million in grants for treatment and prevention, as well as additional support for law enforcement and states to **fight the opioid epidemic**
- Made **quality education** within reach to everyone by providing additional resources to support school choice programs
- The House passed the *American Health Care Act* to repeal and replace Obamacare with a **health care** system that would lead to lower costs and more choices.

But there’s more. We passed the *Financial Choice Act* to replace Dodd Frank and provide the banks that Main Street relies upon much-needed relief. The House has passed *Kate’s Law* and the *No Sanctuary for Criminals Act* to help strengthen our immigration laws and protect law-abiding citizens. The House also passed the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* to help connect workers to the training and skills they need to secure higher-paying, in-demand jobs. And, we passed the *REINS Act* to make the government more accountable, by making any major regulation subject to an up-or-down vote by Congress before it can take effect.

Through it all, I’ve done my very best to serve you, the residents of southern Wisconsin—my employers—to put your interests and your priorities front and center. There is more work to be completed in the coming months, and I look forward to what lies ahead.

I hope you find the information in this *2017 Annual Report to Taxpayers* to be useful. In the meantime, please don’t hesitate to contact me if I can be of assistance to you in dealing with the federal government. I am always happy to respond and be of service.

Sincerely,

*Paul Ryan*

Paul D. Ryan  
Serving Wisconsin’s 1<sup>st</sup> District

#### CONTACT PAUL:

MAIL: 20 S. Main St. #10, Janesville, WI 53545  
PHONE: 1-888-909-RYAN (7926)  
FAX: 608-752-4711  
WEB/EMAIL: [paulryan.house.gov](mailto:paulryan.house.gov)

# 2017 ANNUAL REPORT



on the  
UNITED STATES  
GOVERNMENT



CONGRESSMAN PAUL D. RYAN  
SERVING WISCONSIN’S 1<sup>ST</sup> DISTRICT

## TAX REFORM: AN OVERVIEW

Our tax system should be simple, fair, and promote economic growth. The current tax code is entirely too complex. It discourages decisions to work, save, and invest, which leads to slower economic growth, lower wages, and diminished job creation. House Republicans have advanced legislation to reform our tax code—appropriately named the *Tax Cuts and Jobs Act*—that focuses on reversing this trend by creating a code that is simple, fair, and allows for bigger paychecks for all Americans. Together with our colleagues in the Senate, this landmark tax reform legislation has been sent to the President’s desk. If you’re interested in learning more about this legislation, visit our website: [www.fairandsimple.gop](http://www.fairandsimple.gop).

## TAX REFORM: FOR FAMILIES AND INDIVIDUALS

The bill lowers individual taxes across the board and sets the rates at: 0%, 10%, 12%, 22%, 24%, 32%, 35%, and 37% for high income earners. According to the House Committee on Ways and Means, under this bill, a typical middle-income family of four earning \$73,000 will receive a \$2,059 tax cut, and the typical family of four in Wisconsin making the median income of \$72,891 will see a tax cut of \$2,055.

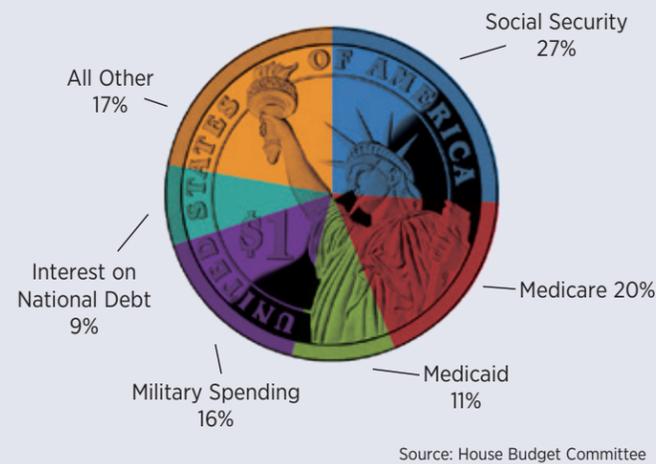
The bill roughly doubles the standard deduction, allowing families to immediately take home more of their paycheck. The bill creates a new Family Credit, which, in addition to expanding the Child Tax Credit from \$1,000 to \$2,000 for each child, would provide a new \$500 credit for other dependents. Among other provisions, it also preserves the mortgage interest deduction. Importantly, for those with existing home mortgages, there will be no change to the current mortgage interest deduction,

## TAX REFORM: FOR JOB CREATORS OF ALL SIZES

It is also important to make sure that we unleash the private sector’s ability to create jobs and make the investments that increase productivity and wages. In order to reduce the burdens on businesses of all sizes, this bill allows businesses to immediately write off the cost of new investments for at least five years, and levels the playing field for American companies and workers by reducing the corporate tax rate to 21%—down from 35%. This will give a much-needed lift to the economy, create jobs, promote competitiveness, and put an end to the perverse incentive to keep profits overseas.

Businesses on Main Street—the small businesses that drive our economy—will see real tax relief, too. For small businesses, the bill offers a 20% tax deduction that applies to the first \$315,000 of joint income earned. For business owners with income above this level, a 20% deduction on business profits will be instituted, reducing the marginal tax rate to no more than 29.6%.

## Composition of Federal Spending—2017



and for a new mortgage on a first or second home, the interest deduction is available up to \$750,000. In order to provide much-needed simplicity and fairness while protecting bedrock provisions for the middle class, the bill eliminates many itemized deductions that often benefited special interests, while simultaneously maintaining tax deductibility of charitable contributions and medical expenses.

Importantly, the bill also provides relief from the burdens of Obamacare by eliminating the individual mandate penalty. Starting on January 1, 2019, individuals will be granted more health care freedom.

### What You Paid For

*A 2017 Taxpayer Receipt for a married couple with two children earning \$82,300 a year and paying \$16,689 in federal income tax and FICA taxes (including employer and employee)\**

Social Security	\$4,551.70
Medicare	3,255.76
Military Spending	2,748.63
Medicaid	1,810.25
Interest on the National Debt	1,497.24
Veterans Programs and Military Retirement	1,134.16
Welfare and Income Support	1,090.39
Administrative and Independent Agencies	632.04
Education	539.68
Treasury (not including interest on the debt)	432.31

Source: Final Monthly Treasury Statement of Receipts and Outlays of the United States Government for FY2017, Department of Treasury, Tax Policy Center Tax Calculator

\* Taxpayer Receipt is for illustrative purposes only. Individual tax situations will vary.

## Statement of Federal Revenues and Expenses

### Revenues

	Fiscal Year			
	2016	2017	% of total	% change
Individual Income Tax.....	\$1,546,075,000,000	\$1,587,119,000,000	48%	3%
Social Insurance Taxes				
Social Security Payroll Tax.....	810,180,000,000	850,618,000,000	26%	5%
Medicare Payroll Tax.....	252,125,000,000	261,279,000,000	8%	4%
Unemployment Insurance.....	48,853,000,000	45,808,000,000	1%	-6%
Railroad Retirement/Federal Employee Retirement.....	3,905,000,000	4,191,000,000	**%	7%
Corporate Income Taxes.....	299,571,000,000	297,048,000,000	9%	-1%
Excise Taxes and Customs Receipts.....	129,882,000,000	118,397,000,000	4%	-9%
Miscellaneous Receipts.....	154,743,000,000	127,666,000,000	4%	-18%
Estate Taxes.....	21,354,000,000	22,768,000,000	1%	7%
<b>Total</b>	<b>\$3,266,774,000,000</b>	<b>\$3,314,894,000,000</b>		

### Expenses

Social Security.....	\$913,342,000,000	\$ 942,102,000,000	27%	3%
Medicare.....	669,475,000,000	673,870,000,000	20%	1%
Military Spending.....	565,364,000,000	568,905,000,000	16%	1%
Medicaid.....	368,280,000,000	374,681,000,000	11%	2%
Interest on National Debt.....	283,846,000,000	309,896,000,000	9%	9%
Veterans Programs and Military Retirement.....	238,523,000,000	234,745,000,000	7%	-2%
Welfare and Income Support.....	230,002,000,000	225,686,000,000	7%	-2%
Administrative and Independent Agencies.....	124,114,000,000	130,819,000,000	4%	5%
Education <sup>1</sup> .....	76,981,000,000	111,702,000,000	3%	45%
Treasury (not including interest on debt).....	96,153,000,000	89,479,000,000	3%	-7%
Transportation.....	78,419,000,000	79,440,000,000	2%	1%
Housing <sup>2</sup> .....	26,393,000,000	55,474,000,000	1%	110%
Homeland Security.....	45,195,000,000	50,502,000,000	1%	12%
State and International Assistance.....	45,689,000,000	45,983,000,000	1%	1%
Agriculture, Conservation, and Interior.....	49,305,000,000	40,941,000,000	1%	-17%
Labor.....	41,371,000,000	40,120,000,000	1%	-3%
Justice and the Judiciary.....	37,070,000,000	38,593,000,000	1%	4%
Energy.....	25,852,000,000	25,796,000,000	1%	0%
NASA.....	18,829,000,000	18,868,000,000	1%	-1%
Environmental Protection Agency.....	8,729,000,000	8,088,000,000	**%	-7%
Congress.....	4,344,000,000	4,499,000,000	**%	4%
The President.....	395,000,000	411,000,000	**%	4%
<b>Total Expenses</b>	<b>\$3,852,420,000,000</b>	<b>\$3,980,605,000,000</b>		

### Deficit(-)/Surplus(+)

<b>Deficit(-)/Surplus(+)</b>	<b>-\$585,646,000,000</b>	<b>-\$665,711,000,000</b>	Spending is 117% of Revenues	
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Other Undistributed Offsetting Receipts<sup>3</sup>.....

Other Undistributed Offsetting Receipts <sup>3</sup> .....	-\$95,251,000,000	-\$89,825,000,000		
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<sup>1</sup> Education outlays saw an increase due to increased costs in federal student loan programs.

<sup>2</sup> Housing saw an increase in outlays due to increased costs in an Federal Housing Administration program that guarantees mortgages.

<sup>3</sup> Offsetting receipts are receipts to the federal government that come from sources other than its sovereign power to tax. For example, fees to enter into the National Park System are considered offsetting receipts.

\*\* Less than 1%

Totals may not add due to rounding

## Stay Informed

Sign up to receive Paul Ryan's *Instant News Updates* to keep up with Congress by visiting Paul's web site: [paulryan.house.gov](http://paulryan.house.gov)