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Hawley cites 'culture war' in proposal for monthly payments to families with children

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(The Center Square) – Rising Republican star U.S. Rep. Josh Hawley, R-Mo., is sponsoring a new measure that would give unprecedented tax cuts to parents with children, and now he is saying his bill is on the front line of the nation's "culture war."

The plan in question would give a fully refundable tax credit of \$12,000 for married parents and \$6,000 for single parents who have children under the age of 13.

"Starting a family and raising children should not be a privilege only reserved for the wealthy," Hawley said. "Millions of working people want to start a family and would like to care for their children at home, but current policies do not respect these preferences. American families should be supported, no matter how they choose to care for their kids."

Hawley announced the bill earlier this week, appealing to the importance of families and raising children, but later his messaging intensified. On Wednesday, "Josh Hawley for Senate" sent out a fundraising email saying his latest legislation is key to winning the culture war.

The email went out Wednesday afternoon with the subject line, "fighting to win the culture war."

"American families are on the frontlines of a culture war," the email reads. "The left is working to undermine the traditional family through a whole host of social issues. We should do the opposite, which is why I'm introducing legislation that helps working parents and is pro-family and pro-work."

Experts predict the bill could split the Republican party, many of whom will see the tax proposal as another welfare program.

"Looking at Senator Hawley's biography on his own senate website, it says he battles big government, but his tax credit plan is big government," said Chris Edwards, director of Tax Policy Studies at the Cato Institute. "Senator Hawley fashions himself as a conservative but his tax credit subsidy is not conservative at all. For one thing, it's refundable, meaning it's a welfare program, not a tax cut."

The fully refundable credit means Americans who pay no federal taxes can still receive payments. Critics called the plan government gone too far.

"Senator Hawley is correct that families give our lives meaning," said Veronique de Rugy, an economic and tax expert at the Mercatus Center. "It is an institution worth protecting. But he is wrong to think that the government is the best actor to do that or that this is a justification to use the federal government to spend loads of money we do not have on families, especially well-off families. This is not an effective way to protect families and it is nothing more than ineffective social engineering through the tax code."

The legislative proposal comes as one of many tax plans proposed in Washington D.C. in recent weeks. On Wednesday, President Joe Biden proposed another \$1.8 trillion in spending, targeted tax breaks and larger tax hikes to go with it.

The Biden administration hopes to increase the top marginal tax rate by 2.5 percentage points to 39.5% and hike the capital gains tax for those earning more than \$1 million annually from 20% to 39.6%.

Another tax plan came this week from U.S. Rep. Richard Neal, D.-Mass. and chairman of the House Ways and Means Committee, who proposed a refundable payroll tax credit of up to \$5,000 for any paid wages to childcare workers. The plan would also provide universal paid medical and family leave up to 12 weeks.

How these dueling plans will or will not advance remains unclear, but prolonged negotiations are inevitable.

Hawley's bill would instruct the Internal Revenue Service to create an online portal for parents to enter information related to their payments, which would be sent out monthly unless recipients note they want an annual lump sum.

"To receive the credit, single-parent households must report prior-year earnings equal to or greater than earned income from 20 hours per week of work at the federal minimum wage, an earnings threshold of \$7,540," Hawley's office said in a statement. "Married parents that file a joint tax return must reach the same earnings threshold. This creates an explicit marriage bonus of 100 percent. In order to receive the credit, tax returns must include the Social Security number of parents and qualifying children."

Fundraising emails are often more politically charged and aggressive than normal Congressional communication, but the email gives an insight into how Hawley might focus a potential presidential campaign, which experts speculate is likely.

The plan amounts to a different form of universal basic income for families with qualifying children. Members from both sides of the aisle have been mostly quiet on the proposal, leaving questions of how both parties would handle such a large social payment, especially one from Republicans.

"We have a president of the opposite party to Hawley now in office pushing the biggest [government] expansion since Lyndon Johnson, and I would think Missouri voters elected Senator Hawley to push back against this big government agenda that the other party is pushing in Washington," Edwards said.

Despite qualms, Hawley is pushing his plan as a pro-family alternative to the Democratic agenda because it would benefit married parents.

“We need to reward work, parenthood and family,” Hawley said. “My new parent tax credit is a start.”