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# YEAR IN REVIEW

National Taxpayers Union  
National Taxpayers Union Foundation

2017











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***“It is the greatest testament to the staff of NTU and NTUF that such an uncertain year as 2017 has not hindered our strategic plans or our tactical initiatives.” - Pete Sepp, President***

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# PRESIDENT'S LETTER



Pete Sepp,  
President

## President's Annual Report

### National Taxpayers Union & National Taxpayers Union Foundation

Dear Friends,

When we last reported on the activities of National Taxpayers Union (NTU) and National Taxpayers Union Foundation (NTUF) in 2016, we could only venture informed conjecture about what was in store for the nation. However, 2017 turned out to be an historic year for taxpayers: after 31 long years of talking about tax reform, Washington finally acted. NTU and NTUF comprised the driving force among center-right advocacy organizations behind this successful push. We fought for a fairer, simpler tax code — and, we won.

As this report shows, NTU and NTUF skillfully navigated every twist and turn, in Washington and in the states, to continue growing our influence. We have also grown internally, with new staff and initiatives that are paying dividends now. None of these successes would have been possible without the hard work of our energetic development team, which has reached out to partner with you in delivering the resources that have allowed us to thrive.

Our government affairs team excelled in raising NTU's strategic and tactical impact. While other organizations had been relegated either to marginalization or lockstep conformity with the incoming Trump Administration, we blazed our own trail. While our staff has participated in high-level meetings with White House officials, we have not been shy about offering constructive criticism of policies facing taxpayers today.

NTU's reputation as an "honest conservative broker" means that we are called upon first and most often in meetings with Congressional leadership. Our allies look to us for coalition-building on tax policy, health care, divisive budget reforms, and issues that should be of

greater interest to conservatives (e.g., Puerto Rico's financial crisis, which our Promise for Prosperity Coalition was formed to address). Thanks to our hard work, we not only achieved the long overdue tax reform that taxpayers have so sorely needed, but we also made progress in repealing the Independent Payment Advisory Board (one of Obamacare's worst elements) and in crafting a new package of taxpayer protections against IRS abuse. In short, we are fulfilling exactly the role to which we re-dedicated ourselves a few years ago — that of the taxpayer's lobbyist.

Meanwhile, NTUF immensely enhanced its effectiveness. The White House and Congressional leadership regularly cite our research. Our Taxpayers' Budget Office (TBO) project has officially launched online, and is now gaining additional credibility as the "go-to" source on the

technical aspects of budgetary estimation. With the return of Andrew Moylan, NTUF is also making great progress on the Interstate Commerce Initiative. This project will defend taxpayers against states overreaching their authority and imposing taxes where they should not be permitted. All of these undertakings, and more, vividly illustrate how NTUF is filling important niches that other think tanks in the limited government movement have not been able to address.

NTU and NTUF's public outreach in 2017 ensured that our work reached larger audiences than ever before. We leveraged our influence in the tax reform debate to develop stronger relationships with media, especially in broadcast TV. Senior Policy Fellow Mattie Duppler employed her tax policy expertise to engage in lively debate on venues such as MSNBC, CNBC,



NTU Senior Fellow Mattie Duppler on CNBC's "Closing Bell" to discuss NAFTA renegotiation.





*Federal Trade Commission Acting Chair Maureen Ohlhausen addresses participants at an NTU-sponsored reception earlier this year.*

and Fox. As the recognition of NTU and NTUF's great efforts continues to grow, we are overhauling our website and brand to reflect this new and exciting phase of our organizations' history.

The health and success of our organizations rely heavily on the renewed dedication of every NTU and NTUF supporter. Your active involvement with our cause will deliver a truly superlative year ahead for taxpayers.

It is the greatest testament to the staff of NTU and NTUF that such an uncertain year as 2017 has not hindered, but in fact has strengthened, our strategic plans and our tactical initiatives. We are solidifying a structure that is more resilient, dynamic, and equipped to accommodate whatever 2018 may bring.

**LET'S MOVE FORWARD TOGETHER!**



*Executive Vice-President Brandon Arnold presents Senator Jeff Flake (R-AZ) with his Taxpayers' Friend Award*



## A Voice above the Crowd

In 2017, National Taxpayers Union further solidified itself as the premier taxpayer organization in Washington, D.C. We played a front-and-center role in key legislative efforts on a wide variety of issues including health care, trade, taxes, energy, spending, and defense.

### FEDERAL ADVOCACY

During the early part of the year, health care reform was the highest-profile issue for Congress and the newly constituted Administration. While efforts to repeal and replace Obamacare were ultimately unsuccessful, there's no question that NTU was a critical voice in the conversation. As a key participant in the Repeal Coalition, we were the lead organization in building support for legislation like the House's American Health Care Act, and the Senate's Better Care Reconciliation Act. These bills represented the best, although imperfect, opportunities to repeal the majority of Obamacare and replace it with a more market-oriented health care approach that would empower individuals and embrace

federalism.

While these bills ultimately came up short, it was not due to NTU's lack of hard work. We mobilized grassroots supporters, engaged in direct lobbying for staff and lawmakers, and provided intellectual ammunition to the policy community. The research and work of our government affairs team was featured and distributed to Members of Congress, the media, and our supporters across the country. Most notably, leadership of the House Ways & Means and the Energy & Commerce committees found our work particularly helpful.

Even now, NTU is still finding ways to work toward smaller-scale health care reform. For example, our efforts to eliminate one component of Obamacare—the Independent Payment Advisory Board (IPAB)—have gained momentum and earned a great deal of praise from allies on and off the Hill. We still have a good chance of getting IPAB repeal included in larger health care legislation and are working hand-in-glove

with key committees and offices on Capitol Hill to generate the necessary grassroots and coalition support.

The push to fundamentally overhaul our broken tax code dominated the latter part of 2017. NTU assumed an integral role in the policy and strategic conversations leading to tax reform's eventual success. To expand our impact, we brought aboard Mattie Duppler as a Senior Fellow for Tax and Fiscal Policy. Mattie has worked for Americans for Tax Reform, on Capitol Hill, and for the House Republican Conference. Her media credentials include dozens of appearances on cable TV programs and networks. We were also pleased to hire Thomas Aiello as a Policy and Government Affairs Associate earlier this year. Thomas has been an outstanding addition to the team, handling a wide variety of policy and legislative issues at the federal and state levels.

We capitalized on our status as a leader in the center-right movement to create a tax reform working group and accompanying email list. This forum became one of the most prominent information-sharing vehicles for conversations between free market organizations, Administration officials, and key Capitol Hill staff.

For months, we participated in regular meetings with staff from the Ways & Means Committee and other committees and offices. We engaged in regular conversations with academics, business leaders, and government officials about tax reform. Without question, NTU is a major reason why 2017 was the year policymakers passed major tax reform for the first time in more than 30 years.

Over the course of the year, our close ties to policymakers also allowed us to host events such as a tax reform Hill briefing with Senator Ted Cruz (R-TX) and private



*Nan Swift testified before the Environmental Protection Agency on August 1, 2017.*





*Senator Ted Cruz addresses a recent NTU event on tax reform.*

receptions with House Energy and Commerce Chairman Greg Walden (R-OR), Federal Trade Commission Acting Chair Maureen Ohlhausen, and Senator Jeff Flake (R-AZ).

Beyond our work on high-profile issues like Obamacare repeal and tax reform, NTU spends considerable time on important legislative matters that do not necessarily make the front page of the newspaper. Indeed, the relatively low profile of some of these issues allow us to have an outsized impact and save taxpayers from costly spending programs and burdensome regulations.

For instance, the Renewable Fuel Standard is a disastrous policy that has increased the price of fuel and has enormous harmful downstream consequences on the agricultural economy. Our work on this issue, handled mainly by NTU's indefatigable Federal Affairs Manager Nan Swift, has been repeatedly cited and praised by allies on the Hill and by an ideologically diverse coalition of nonprofit groups.

NTU has been a leading voice on the issue of defense spending, where far too many conservatives turn a blind eye to waste, fraud, and abuse. We have not only raised concerns; we've helped achieve real-world results. To give just one recent example, the U.S. Navy opted to delay the award of a contract to build a new frigate class

after NTU brought attention to a study by the Government Accountability Office that questioned the vessel's costs and capabilities.

## STATE & LOCAL ACTIVITIES



**Justin Amash** ✓ @justinam... · 9/27/17  
Honored to earn highest score of any representative & receive @NTU Taxpayers' Friend award for 6th consecutive year. [ow.ly/mXrl30fiVtq](https://ow.ly/mXrl30fiVtq)



Our yearly publications continue to have an impact on Capitol Hill and beyond. "NTU Rates Congress" is the most comprehensive system for assessing the voting records of Members of Congress. Due to our scorecard's reputation and the fact that we measure every fiscal vote, Capitol Hill staff constantly inquire about our position and the weight we assign to each vote before briefing their bosses.

At the state and local level, the NTU General Election Ballot Guide provides voters with invaluable information about the nature of voter initiatives and referenda. We frequently revisit the scope of the guide, as well as its distribution and user interface to make sure it reaches as many voters as possible in an easy-to-use format.

The path ahead provides numerous opportunities to reduce the size and scope of government. NTU's government affairs team is forging new relationships on Capitol Hill, in the Administration, among state policymakers, and in the business community. Like no other organization in the country, we have demanded and received a seat at the table for important policy conversations. We'll continue to be the Voice of America's Taxpayers in 2018, and for many years beyond.



## Out Front and in the Spotlight

National Taxpayers Union Foundation, the 501(c)3 research arm of NTU, was busy in 2017 performing detailed research and analysis, hiring staff, and launching new projects that make the fact-based case for limited government and lower taxes. From President Trump to Congress to widely-read media, NTUF research got in front of the most important policy influencers in the country.

### NEW STAFF

The talented individuals NTUF brought on in 2017 expanded our capacity to execute significant projects, including several new initiatives. In July, we welcomed back a familiar name as Executive Vice President of NTUF: Andrew Moylan, who spent the last five years as Executive Director of R Street Institute, but previously served as NTU's Vice President for Government Affairs. Moylan took leadership of the foundation's research efforts on tax reform, legislative analysis, interstate commerce, and other issues.

Additionally, NTUF was pleased to see the return of Andrew Wilford as an associate policy analyst. Wilford previously worked with NTUF through our internship program and returned this summer as a researcher and writer on a wide variety of tax and budget topics.

### TAX REFORM

During the process of fundamental tax reform, NTUF produced key research that guided policymakers to implement a plan that substantially improves the status quo.

One of our organization's flagship publications is an annual study of the complexity of the Tax Code. Released on



*Andrew Moylan Testified before the House Judiciary Subcommittee on Regulatory Reform, Commercial, and Antitrust Law on July 24, 2017*

Tax Day 2017, this year's report found over \$262 billion in compliance costs associated with the code, a staggering amount of wasted work and productivity. This study was cited in sources such as *Investor's Business Daily*, *The Washington Examiner*, and the Mark Levin Radio Show. Perhaps its most prominent mention came when President Trump cited our data extensively in his landmark speech on tax reform in North Dakota.

In addition to our tax complexity study, NTUF updated its extremely popular "Who Pays Income Taxes?" page, which contains a wealth of data on the tilted distribution of tax burdens. NTUF Research Director Demian Brady produced key pieces identifying the significant tax relief associated with the repeal of Obamacare, and the huge paperwork burdens imposed by the federal government.

In the latter months of the year, NTUF's analysis shifted to focus on the hurdles

that could have prevented tax reform from reaching the finish line. We inaugurated a paper series called, "What's the Deal With Tax Reform?". This series gave understandable explanations of very complex tax policy issues that could have tripped up lawmakers. Our first paper on base erosion was very well received, with a key tax policy figure calling it a "must read" for Congressional staff. We launched our second paper on cost recovery policy at an event on Capitol Hill, during which Senator Ted Cruz, R-TX, gave keynote remarks on conservative principles for reforming taxes. Further papers concentrated on topics such as the state and local tax deduction, tax treatment of pass-through businesses, and so-called "global minimum tax" provisions.

### BUDGET ANALYSIS

NTUF was first out of the gate in performing an in-depth analysis of newly-elected President Trump's first address to Congress. We determined that, if enacted in full,

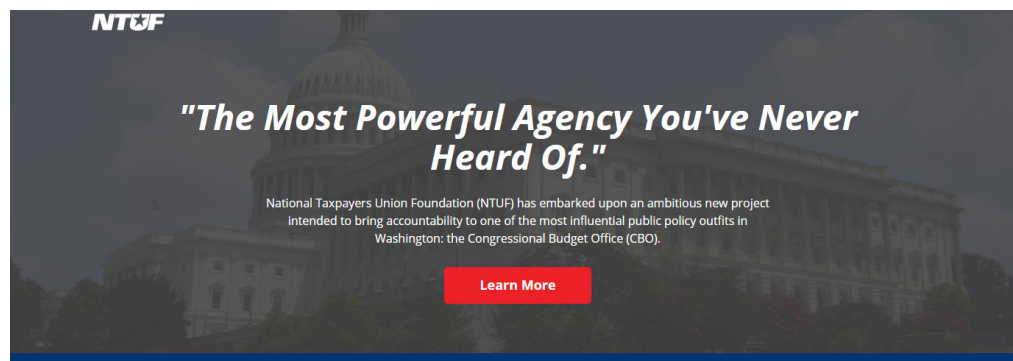


the policy agenda the president laid out would lead to a net increase in spending of \$894 million per year. Our analysts' later assessment of the federal budget as a whole, and of competing Congressional budget resolutions, helped educate legislators and staff as they crafted the final budget outline that eventually passed both chambers.

Additionally, NTUF released a strange bedfellows report with the left-leaning U.S. Public Interest Research Group called "Toward Common Ground." In it, our two organizations jointly identified nearly \$263 billion worth of waste and inefficiency in the federal budget that should be eliminated, providing lawmakers with low-hanging fruit to pick when looking for savings.

## TAXPAYERS' BUDGET OFFICE

NTUF publicly launched our Taxpayers' Budget Office (TBO) project this spring with the creation of *taxpayersbudgetoffice.org*, a dedicated website serving as a hub for TBO commentary and analysis. TBO's mission is to serve as a watchdog for the Congressional Budget Office (CBO), the agency responsible for determining the fiscal effects of legislation before Congress. Our analysts examine deficiencies in CBO's scoring methodologies and advocate for procedural and structural improvements to help the agency better execute its important mission.



**NTUF**

### "The Most Powerful Agency You've Never Heard Of."

National Taxpayers Union Foundation (NTUF) has embarked upon an ambitious new project intended to bring accountability to one of the most influential public policy outfits in Washington: the Congressional Budget Office (CBO).

[Learn More](#)

## The Taxpayers' Budget Office

The Congressional Budget Office (CBO) wields an immense power over the legislative process, with some calling it the most powerful agency you have never heard of. However, CBO has been criticized for providing a distorted picture of federal fiscal policies and proposals. There are many examples - including scores of farm bills, liabilities in federal student loans, air traffic control modernization, and health care reform. Despite what the implications of CBO "scores" mean for legislation, there has not been an organization dedicated to ensuring it provides complete and useful data - until now.

The Taxpayers' Budget Office will fill this need by serving as a watchdog for CBO processes, scoring, and transparency. Likewise, TBO will provide essential cost estimates and budgetary analysis for legislative proposals. Our efforts will challenge CBO's analytic orthodoxy and encourage it to improve.

### Recent Posts:

[CBO's Re-Assessment Of Flood Insurance Liabilities Opens Opportunities For Reform](#)  
October 4, 2017 | [National Taxpayers Union Foundation](#)



*NTUF launched the Taxpayers Budget Office to serve as a watchdog for the Congressional Budget Office.*

## "The No Regulation Without Representation Act represents a thoughtful, modest

approach to restraining state abuses without trampling legitimate state prerogatives."

Andrew Moylan, Director of Interstate Commerce Initiative, National Taxpayers Union



## INTERSTATE COMMERCE INITIATIVE

Since the launch of this project, NTUF has conducted in-depth analysis of CBO's failings on important topics like health care, air traffic control reform, flood insurance, and many others. To provide a recognizable brand for TBO's work, NTUF also recently inaugurated a new online publication called "The Baseline." Editions of "The Baseline" provide short, accessible analyses of scoring-related issues. Eventually, TBO will be the vehicle for delivering our own "scores" for legislation in four key areas largely ignored by CBO: bills from junior Members of Congress, program integrity analysis, unfunded mandates and regulation, and bills with modest (but still significant) economic impact.

NTUF broke ground late this summer on a new project to articulate a strong, consistent case for the proper delineation of state and federal authority regarding interstate commerce, and to put a stop to aggressive state efforts to make mincemeat of protections against overreaching policymaking. Our Interstate Commerce Initiative (ICI) debuted publicly when NTUF Executive Vice President Andrew Moylan was called to testify before the House Judiciary Committee. There, he noted that ICI will emphasize the importance of borders as limits on state power in the internet age.

ICI will focus on four strategic objectives: 1) raising public awareness, particularly among those on the center-right, of the growing problem of states pushing the boundaries on their own power; 2) articulating a consistent, principled case that such abuses undermine our federalist system and the delicate balance of powers enshrined in the Constitution; 3) identifying policy solutions to address these challenges on both the state and federal level; and 4) building coalitions and partnerships to help advance those policy solutions.

In short, during 2017, NTUF not only fulfilled, but exceeded the reinvigorated vision we established for ourselves two years ago. In the year ahead, we will continue to accelerate our progress, providing still more responsive analysis on emerging issues and carving out hitherto overlooked issue areas for analysis.



## Message Received

After the presidential election, the already considerable demand for NTU's expertise in the media rose sharply. To meet this demand, our communications team built and leveraged its relationships to bring our message to new and larger audiences.

Starting early in the year, we laid the groundwork necessary to get the ball rolling on tax reform. We revamped our "Stop the Tax Attack" microsite and reoriented its focus to materials stressing the need for tax reform. In partnership with the government affairs team we created a page on the NTU website, [ntu.org/taxreform](http://ntu.org/taxreform), to serve as a hub for our work on the topic. The page became a repository for historical NTU documents that harken back to the key role we played in passing tax reform back in '86. No other organization can claim such a distinguished lineage. The communications department also grew during 2017 with the addition of Communications Associate Courtney Manley.

Early in the year, NTU Executive Vice-President Brandon Arnold was named a member of Politico's "New Guard" as one of the "Thinkers" emerging on the

front lines of "politics, policy, and power." This recognition proved fruitful for targeted communications outreach as the government affairs team grew in scope. We used relationships we established over the past year to publicize NTU staff testimonies at committee hearings, appearances of our staff in panel discussions, and various press conferences and calls.

NTU undertook several small advertising campaigns over the course of the year. One of these related to the "fiduciary rule," a proposal to insert federal regulators between consumers and financial advisors who could otherwise offer valuable counsel on investments such as tax-deferred IRAs. We recruited signers to petitions, promoted our work on Twitter, and shared our insights with important influencers on the Hill and in the press. We were also involved in running an ad campaign that promoted innovation and faster internet in a handful of cities across the country. Air traffic control (ATC) reform, which would improve travel efficiency and bring lower prices to taxpayers, gave us another opportunity to conduct online and print ads targeted to

the state of a key Senator. Our outreach over the course of these campaigns also had the benefit of recruiting more Americans for our email advocacy efforts.

As tax reform took off in the spring, staff at *Tax Notes* asked NTU President Pete Sepp to write about the importance of passing comprehensive tax reform, Congress' ability to do so, and the equally important issue of IRS reform. After this piece's successful run, *Tax Notes* requested that Pete weigh in on a regular basis during the tax reform season.

The quality and timeliness of our writing also gave us the opportunity to have opinion pieces regularly featured in *The Washington Examiner*, *The Hill*, *U.S. News & World Report*, *The American Spectator*, and *RealClearPolicy*. Pete, Brandon, and NTU Senior Fellow Mattie Duppler were regularly asked to provide their point of view on issues such as NAFTA, health care, ATC reform, and tax reform to numerous publications including *National Review*, *Forbes*, *Bloomberg BNA*, and *Politico Pro*. Beginning in the the early fall, we had success in securing a number of TV hits. Mattie was on CNBC, Fox Business, and



Pete Sepp on C-SPAN on August 3, 2017



Brandon Arnold on Fox Business Cavuto on October 16, 2017.



MSNBC, to name a few, while Pete and Brandon both made appearances on Fox Business. In August, Pete participated in a C-SPAN discussion segment, “The Future of Tax Reform”. Both Pete and Brandon also received numerous requests throughout the year to share their views on a variety of national and regional radio outlets.

On September 28th, NTU and Taxpayers Protection Alliance held a news conference with the theme “No More Excuses: Tax Reform Now.” We were joined by a number of like-minded organizations, as well as distinguished guests such as House Ways & Means Committee Chairman Kevin Brady and Tax Policy Subcommittee Chairman Peter Roskam. Photos and remarks from the event landed far and wide – even on the pages of *The New York Times*.

During 2017, we took steps to expand our online audience. NTU ran specialized paid promotion campaigns on Facebook and Twitter, and saw an uptick in our followers and engagement during those campaigns. We also found that using content from outside sources increased the engagement on our channels and drove traffic to original NTU content. These gains will help us as we work to consistently promote NTU’s message and to increase our engagement and following over our range of specialty issues.

Thanks to our hard work this year, as we look to 2018, reporters, editors, and media bookers will increasingly seek out NTU’s keen insight.



*Kevin Brady speaking at a press conference hosted by NTU and Taxpayers Protection Alliance on September 27, 2017.*



Washington turns to [@BrandonNTU](#), J.D. Foster and [@rpbp](#) when it needs ideas [#PlaybookPowerList](#) [politi.co/2pcB5gN](https://politi.co/2pcB5gN)





**2017**

## MEDIA HIGHLIGHTS

### INVESTOR'S BUSINESS DAILY

"Have Hurricanes Wiped Out Puerto Rico Investors' Hopes?"

PETE SEPP  
OP-ED



"Say Anything"

MATTIE DUPPLER  
TV INTERVIEW



"The Easy Conservative Win Cruz Could Get"

BRANDON ARNOLD  
QUOTED



"Young Americans Need A Tax Overhaul That Fuels Their Success"

MATTIE DUPPLER  
OP-ED



"Washington Journal"

PETE SEPP  
TV INTERVIEW



"What to Expect From Trump's Tax Reform Speech"

MATTIE DUPPLER  
QUOTED



"Long Day's Journey into Flight"

PETE SEPP  
QUOTED



"Republicans Insist Tax Cuts won't Blow up the Deficit"

DEMIAN BRADY  
QUOTED



"Progressive Tax Coalition Launches Ads"

PETE SEPP  
QUOTED



"Sources to FBN: Lawmakers Considering Gradual Reduction in Corporate Tax"

BRANDON ARNOLD  
TV INTERVIEW



"Keeping Up with the Jones Act"

ANDREW WILFORD  
OP-ED



"Big Ethanol's Fuel Mandate Costs American Taxpayers Millions"

NAN SWIFT  
OP-ED





“Temporary, Permanent Tax Changes Raise Business Concerns”

MATTIE DUPPLER  
QUOTED



“Internet Sales Tax Debate Heats Up”

BRANDON ARNOLD  
QUOTED



“Taxpayers Spend 6.1 Billion Hours, \$234 Billion Per Year on Tax Compliance”

PETE SEPP  
QUOTED



“Trump Urges Faster Tax Reform Progress Amid GOP Meetings”

BRANDON ARNOLD  
QUOTED



DEMIAN BRADY  
RADIO INTERVIEW



“An Incredible Moment for Tax Reform: Why National Taxpayers Union and Freedom Works are United”

BRANDON ARNOLD  
OP-ED



“Don’t Mess with Contact Lens Consumer Rights”

PETE SEPP  
OP-ED



“The Illinois Blueprint: How Not to Grow an Economy”

THOMAS AIELLO  
OP-ED



Follow NTU’s historic Tax Reform Campaign, featuring appearances on FOX News, CNBC, and MSNBC, at [ntu.org/taxreform](http://ntu.org/taxreform).



