

Our Speakers

Legislative Update



Patrick Robertson

Confluence
Government
Relations

Moderator



Jon Bosworth

Office of
Representative Earl
Blumenauer



Greg Warren

Office of
Representative Darin
LaHood



Legislative
Update

Balance of 2024



Strange days in tax policy

Wyden/Smith

Fiscal Cliff 2.0

House GOP Tax Teams

Democrats?

Senate Finance?

Wyden/Smith Tax Bill



Retroactively extends business provisions through 2025

Interest deductibility (EBITDA)

R&D expensing (domestic only)

Expensing/bonus depreciation

Child Tax Credit refundability

LIHTC

Taiwan

Disaster relief

Paid for with ERTC claims deadline/enforcement provisions

Disaster Relief provisions discharge petition

Fiscal Cliff 2.0



TCJA

Individual provisions expire and have to be dealt with

Wyden/Smith business provisions

International/OECD

ARPA/IRA

Refundables

Energy provisions

Tax Teams

American Manufacturing

- Rep. Vern Buchanan (R-FL)

Working Families

- Rep. Brian Fitzpatrick (R-PA)

American Workforce

- Rep. Darin LaHood (R-IL)

Main Street

- Rep. Lloyd Smucker (R-PA)

New Economy

- Rep. David Schweikert (R-AZ)

Rural America

- Rep. Adrian Smith (R-NE)

Community Development

- Rep. Mike Kelly (R-PA)

Supply Chains

- Rep. Carol Miller (R-WV)


U.S. Innovation

- Rep. Ron Estes (R-KS)

Global Competitiveness

- Rep. Kevin Hern (R-OK)

Tax Teams

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- **American Manufacturing**
 - Rep. Vern Buchanan (R-FL)
 - Expensing
 - Interest
 - Advanced manufacturing incentives
 - IP/FDII
 - Rep. Brian Fitzpatrick (R-PA)
 - Individual rates
 - Standard deduction
 - SALT
 - AMT
 - CTC
 - Charitable
 - ESOPs
 - **Working Families**

Tax Teams



- **American Workforce**

- Rep. Darin LaHood (R-IL)
- Education credits
- 529s
- EITC
- WOTC
- Childcare
- Paid Leave
- Apprenticeships

- **Main Street**

- Rep. Lloyd Smucker (R-PA)
- 199A
- Access to capital
- Capital gains
- S-Corps
- Co-ops
- 1202 Stock

Tax Teams



- **New Economy**

- Rep. David Schweikert (R-AZ)
- Gig economy
- 1099s
- 501(c)'s
- REITs
- Digital Assets
- MLPs
- Financial services

- **Rural America**

- Rep. Adrian Smith (R-NE)
- Estate tax
- Sec. 179
- 199A
- “Revitalizing rural communities”

Tax Teams



- **Community Development**

- Rep. Mike Kelly (R-PA)
- NMTC
- Historic
- LIHTC
- Opportunity Zones
- Tax-exempt financing

- **Supply Chains**

- Rep. Carol Miller (R-WV)
- Corporate rate
- Energy
 - Fossil
 - Renewables
- Capital gains
- FDII

Tax Teams



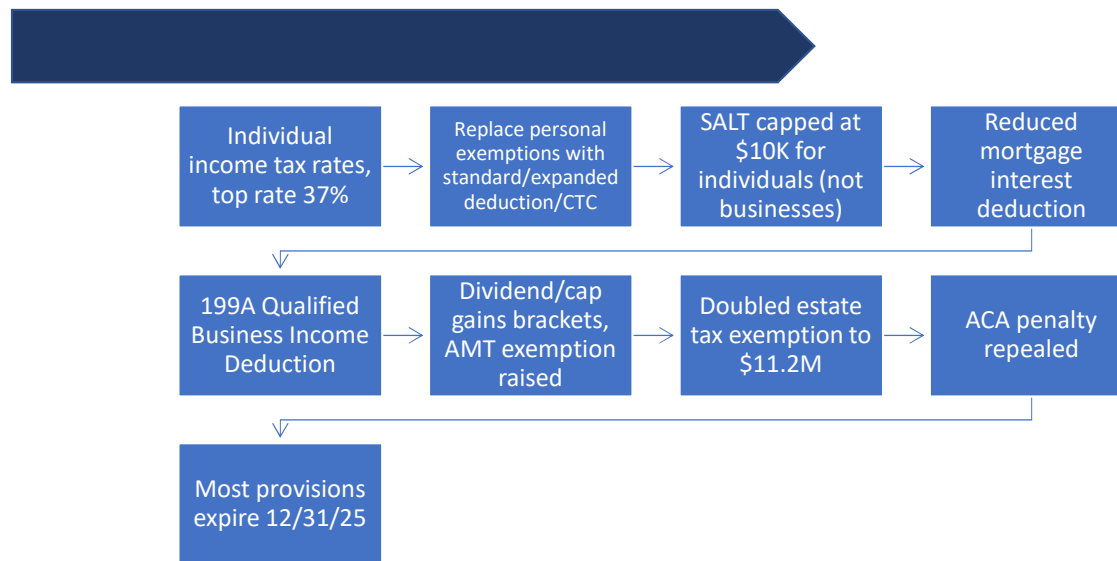
- **U.S. Innovation**

- Rep. Ron Estes (R-KS)
- R&E
- China
- IP/FDII


- **Global Competitiveness**

- Rep. Kevin Hern (R-OK)
- GILTI
- BEAT
- Global minimum tax
- OECD
- Corporate rate

TCJA (Individual)



TCJA (Corporate)



- Cut corporate rate from 35% to 21%
- Expensing/bonus depreciation (temporary)
- Interest deductibility limited (EBITDA vs. EBIT)
- NOL carryback limitation
- Sec. 199 manufacturing deduction eliminated
- R&D amortization
- International reforms

COVID-19 Response



Four laws with tax provisions in 2020/2021

Paid leave tax credits

Stimulus payments

NOL relief

Refundables

Employee Retention Tax Credit

Inflation Reduction Act

- Massive investment in clean energy/climate - \$429B
- ACA premium tax credits
- Corporate AMT (Book Minimum Tax)
- IRS Funding

This Will Be Expensive

Budgetary Effects of Selected Alternative Assumptions About Revenue Policies Related to the 2017 Tax Act

Billions of dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total	
											2025-2029	2025-2034
The 2017 tax act's changes to individual income tax provisions are extended ^a												
Increase in the primary deficit [JCT's estimate]	6	147	368	355	364	374	387	403	419	434	1,239	3,256
Increase in net interest outlays	*	3	12	24	35	48	62	77	94	111	74	467
The 2017 tax act's higher estate and gift tax exemptions are extended ^b												
Increase in the primary deficit [JCT's estimate]	1	3	15	17	18	20	21	22	24	25	55	167
Increase in net interest outlays	*	*	*	1	2	2	3	4	5	6	3	22
The 2017 tax act's changes to the tax treatment of investment costs are extended ^c												
Increase in the primary deficit [JCT's estimate]	74	48	58	54	39	29	23	19	17	17	273	378
Increase in net interest outlays	2	4	6	8	9	10	12	13	14	15	28	91
Certain business tax provisions altered by the 2017 tax act are maintained ^d												
Increase in the primary deficit [JCT's estimate]	0	11	19	19	19	20	20	20	21	22	68	172
Increase in net interest outlays	0	*	1	1	2	3	3	4	5	6	4	25
Addendum:												
Primary deficit in CBO's baseline ^e	821	687	591	622	671	676	726	808	875	929	3,392	7,405
Net interest outlays in CBO's baseline	951	1,005	1,049	1,105	1,170	1,241	1,328	1,430	1,527	1,628	5,280	12,435

No One Was Here

- House Ways & Means Committee
 - Currently 25 Rs and 18 Ds
 - Six GOP Members were on committee in 2017
 - Ten Dems
- Senate Finance Committee
 - Currently 14 Ds and 13 Rs
 - Seven Dem Members were on committee in 2017
 - Six GOP
- Even worse among all Members