



# DECODING TAX REFORM

Advising the Advisor

Friday, 13 July 2018

## Bottom Line, Up Front



It was revealed this week that regulatory guidance from the Treasury Department on the entities that qualify for the full 20% small business deduction under the Tax Cuts and Jobs Act is likely to be delayed until the end of July—disappointing those expecting the

imminent release of this guidance.

Congress returned to Washington this week, with a focus on nuts and bolts governing. The Senate floor was occupied with confirming nominations, national defense, and rewriting the control rules on foreign investment in the U.S. The House continued work on appropriations and worked on reauthorizations on Intelligence and Fisheries laws.

Confirming Judge Brett Kavanaugh to the Supreme Court in time for the new Supreme Court term that begins in August is a major priority for Senate Republicans and the White House.

After announcing his pick for the nation's highest court, President Trump traveled across the pond to meet with NATO leaders in Brussels, to be followed by a visit with British leadership in London and a summit with Vladimir Putin in Helsinki. His unconventional approach is as disruptive internationally as it has been at home.

The administration's incipient trade wars continue to bring criticism, even within the President's own party. Many in Congress are evaluating how they might curtail the President's authority in this arena, fearing that negative consequences stemming from his trade policy could damage the surging economy. On Thursday, the Senate approved a nonbinding trade resolution brought by Senate Foreign Relations Chair Bob Corker (R-TN) and Sen. Pat Toomey (R-PA) that instructed lawmakers hashing out a deal on a government funding bill to include language "providing a role for Congress" on tariffs implemented for national security reasons.

## **Tax Cut Follow-Up**

[At State level, GOP renews push to require 'supermajorities' for tax hikes, imperiling progressive agenda \(Washington Post\)](#)

In Florida, Oregon, and North Carolina, efforts are underway to require supermajorities in order to raise taxes in the future. There are at least 14 States that already have supermajority tax requirements, according to a 2017 tally by the National Conference of

State Legislatures. Such requirement would put into peril any future Democrat plans to enact more progressive policies, as policies like single-payer healthcare would require significant funding.

### [GOP runs into Trump tax law in New Jersey \(The Hill\)](#)

Democrats in New Jersey are hoping that fallout from the new \$10,000 cap on State and local tax deductions will give them a boost in the midterm elections. With the highest State property tax rate in the nation, The Urban-Brookings Tax Policy Center (TPC) estimated that 10.2% of New Jersey households will see a tax increase – the highest percentage of any State.

## **Upcoming Events**

- **Strategies for Success: Decoding Tax Reform – New Opportunities, New Considerations** | Feat. Caroline McKay and Susan Ghallli, John Hancock | Tuesday, July 31 at 11am Eastern | [Register Here](#)
- **WIFS 2018 National Conference: Come see Suzy Jacobs, Senior Vice President of Business Development & Marketing, speak on the Leading the Way: An Industry Perspective panel.** October 24 - 26, 2018 | Use promo code **AALU18** when registering to receive the WIFS member rate. [Register Here](#)



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