



DECODING TAX REFORM

Advising the Advisor

Friday, 20 July 2018

Bottom Line, Up Front



House Republican leaders met with President Trump at the White House this week to discuss Tax Reform 2.0, with Ways and Means Chairman Kevin Brady (R-TX) predicting a House vote on a second round of tax cuts in September. Chairman Brady plans to release more detail next week. A special meeting of the GOP conference is scheduled for Tuesday afternoon and Chairman Brady will lay out his plan. Intel currently projects

three separate bills focused on 'permanence,' retirement, and start-up businesses. The Senate outlook is far less certain for tax legislation before election day. It is possible if the House clears a retirement package that it might make it to the President's desk.

Republicans continue to express concern about the President's tariff policy and its potential to harm the economy, and President Trump expressed his concern about the impact of Federal Reserve interest rate hikes.

Tax News This Week

While Republicans are trying to use the Senate FAA bill as an opportunity to pass fixes to last year's Tax Cuts and Jobs Act (TCJA), neither Commerce, Science, and Transportation Chairman John Thune (R-SD), nor ranking member Bill Nelson (D-FL) want the bill bogged down with other tax changes. With Republican House leadership and the White House talking up Tax Cuts 2.0, tax changes affecting retirement savings may be the only measures with enough political support to make it through Congress before election day. Talking about the next round of tax cuts, President Trump's economic advisor Larry Kudlow said earlier this week that the talks were still in the early stages and the complete packages were still unformed.

- [Brady at White House meeting: House to vote on more tax cuts in September \(The Hill\)](#)

In the attempt at a proposed second round of tax cuts, House Republicans will push to use a September tax vote to help members in competitive midterm races in November. Chairman Brady (R-TX) said he expected the Senate to set a timetable as well. The vote will serve to highlight the 2017 tax bill and also put House Democrats on the spot leading into November.

- [Trump's 'economic miracle' threatened by tariff wars, Fed interest rate hikes \(Washington Times\)](#)

A booming economy has led to record lows in unemployment, with second quarter GDP heading towards 4% and wages ticking up across the board. However, a trade war and upcoming interest rate hikes could put a damper on economic growth.

- [House GOP Push to Extend Tax Cuts Meets Resistance in Senate \(WSJ\)](#)

Senate Republicans have so far showed very little interest in the House GOP's plan for Tax Cuts 2.0. Attempting a vote in the Senate would give a number of Democrats a chance to vote for a tax cut and subsequently use it in their messaging leading up to the midterms. Representatives have cited a full schedule containing nominations, spending bills, and flood insurance as other priorities.

Upcoming Events

- **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](#)



Copyright © 2018 AALU, All rights reserved.

AALU Member

Our mailing address is:

AALU
11921 Freedom Drive
Suite 1100
Reston, VA 20190

