



# DECODING TAX REFORM

Advising the Advisor

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Friday, 27 July 2018

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## Bottom Line, Up Front



Breaking this morning, the federal government announced that second quarter GDP grew at 4.1%. Ways & Means Chairman Kevin Brady (R-TX) began vetting his Tax Reform 2.0 plan with his colleagues in the House Republican Conference. His rollout was light on details and accordingly met with a lot of questions.

The much-anticipated guidance regarding the new section 199A and its 20% passthrough deduction were passed from the Treasury Department to the Office of Management and Budget's Office of Information and Regulatory Affairs for review. The rules are listed as

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“economically significant,” which means they qualify for an expedited 10-day review.

The House is gone till September for their August District work period. The Senate is in D.C. next week, out the following week, and then back to D.C. for the remainder of August to work on nominations and appropriations.

## **Tax Cuts 2.0**

[House Republicans Unveil Tax Plan Focused on Savings, Retirement \(WSJ\)](#)

The big news in tax this week came when House Republicans released a [framework](#) for the proposed next round of tax cuts. The upcoming effort will be packaged in three separate buckets:

- Permanence, which will center on making certain individual and small business provisions permanent. It does not list which specific provisions would be made permanent.
- Retirement Security, in which the framework calls for encouraging a diverse range of savings plans, including Universal Savings Accounts, expanded 529 Education Accounts, and New Baby Savings Accounts, which would allow families to access their retirement accounts penalty-free for expenses when welcoming a new child into the family.
- Business Innovation, which will look to encourage new business innovation by helping brand-new businesses write off more of their initial start-up costs and remove barriers to growth.

## **Administration Tariff Policy Continues to Draw Criticism**

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[GOP Rep. Kevin Brady: Tariffs are taxes that impede the nation's economic growth \(CNBC\)](#)

[Farm groups go on anti-tariff blitz after Trump offers trade aid \(POLITICO\)](#)

[Trump, E.U. announce deal to avert escalation of trade tensions \(Washington Post\)](#)

President Trump's brewing trade war consumed a lot of the energy this week, including his announcement of a \$12 billion aid package for farmers with the goal of offsetting their losses. Several conservatives have objected to this latest move as a bailout to correct for bad trade policy. Industry groups are spending \$2.5 million for ads showcasing how the tariffs have hurt American farmers. Despite all that, President Trump did secure a freeze in escalation with the EU.

## **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](#)



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**Our mailing address is:**

AALU

11921 Freedom Drive

Suite 1100

Reston, VA 20190