



# DECODING TAX REFORM

Advising the Advisor

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Friday, 11 May 2018

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## Bottom Line, Up Front



Signs continue to point towards an improving economy, though not everyone is eager to attribute it to last year's tax bill. Meanwhile, States continue working to change their own tax codes, and both Republicans and Democrats are lining up their priorities for the next round of changes to the Internal Revenue Code. And finally, the House Ways and Means

Committee announced the first in a series of hearings on tax reform set for Wednesday, May 16<sup>th</sup> on [growing the economy and creating jobs](#).

## Tax Cut Effects

Linda McMahon, head of the Small Business Administration (and former World Wrestling Federation executive), touted the new law's success by citing a sharp spike in loan applications to her agency. According to a survey in the [semi-annual forecast by the Institute for Supply Management](#), a third of business leaders said they will boost capital spending over the next year. Meanwhile, some experts said that the credit for the economy could largely result from factors unrelated to changes in the tax code.

- [Small business chief touts early impact of tax cuts as other firms looks for benefits \(The Hill\)](#)
- [The Finance 202: Good news on the economy may not be a result of GOP tax cuts \(Washington Post\)](#)

## State Reactions

States continue to evaluate the effects from the tax changes made last year. In Iowa this week, Republicans passed a large-scale tax cut aimed at stimulating the State's economy. Democrats see a repeat of the Kansas experiment, whose tax cuts have been largely implicated in a State budget crisis, but backers of the changes say they are taking a more incremental approach. Many State budget officials are reporting increased tax revenues this year, crediting the new federal tax law and an expanding economy.

- [Iowa Republicans pitch 'crisis-proof' tax cuts. Democrats see another Kansas in the making. \(Washington Post\)](#)

- [State Budgets Get Lift From Economy, Tax Bill \(WSJ\)](#)

## Tax Cut Phase 2

House Republicans continue their drive to make the expiring individual provisions in last year's tax overhaul permanent. Even if the measure fails, they hope to get Democrats on the record voting against more tax cuts for individuals. However, the outlook for passage of such a bill in the Senate remains dim. Looking ahead to 2019, House Minority Leader Nancy Pelosi confirmed her intent to increase taxes to pay for Democratic priorities should her party take the House in November.

- [Republicans want to make the individual tax cuts permanent - or at least score a political win in the process \(Business Insider\)](#)
- [GOP attack ad 'accurate,' admits Pelosi; House Democratic leader calls for 'bipartisan' tax hikes \(Washington Times\)](#)

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### Upcoming Events

- **Strategies for Success: Decoding Tax Reform - Estate Planning** | Feat. Michael Fontanini | Tuesday, May 22, 11am Eastern | [Register Here](#)
- **Strategies for Success: Decoding Tax Reform - Impact on Small Business** | Feat. Tom Sellin | Tuesday, June 5th, 11am Eastern | [Register Here](#)



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