



January 25, 2019



Beyond the Headlines

The shutdown continues. The State of the Union is postponed, as is Republican lawmakers' annual planning retreat. Affected government employees will miss their second paychecks of the shutdown today.

AALU joined with the U.S. Chamber of Commerce and 384 organizations calling on Congress and the President to end the shutdown and get the government back to work. [View letter here.](#)

Despite the failure to end the impasse this week, both sides (finally) showed movement toward each other. President Trump offered some concessions on immigration policy (DACA and Temporary Protective Status). Speaker Pelosi, for her part, is crafting spending legislation that would increase spending for border security (just not a wall).

Another sign of potential progress is that lawmakers are on notice to return to D.C. on 24 hours' notice.

While the IRS is recalling over half its workforce for tax-filing season to ensure that returns are processed and refunds are delivered, hundreds of employees have received permission to skip work during the shutdown due to financial hardship. Union leaders said that they expected absences to surge as part of a coordinated protest. Representatives of air traffic controllers, pilots, and flight attendants issued a statement regarding their concerns over an "unprecedented" level of risk they are currently experiencing. Delays and disruptions in both tax refunds and air travel are significant pressure points that could force action by lawmakers.

Upcoming Webinar:

What the Sophisticated Life Insurance Advisor Needs to Know about Gifting Strategies in 2019

Join us **next Tuesday, January 29 at 11am ET** as **Michael Fontanini**, VP of Advanced Sales & Design at Lion Street and **Caroline McKay**, AVP & Counsel of Advanced Markets at John Hancock, discuss gifting strategies for the year ahead given the temporarily-doubled estate tax, gift tax, and GST under the TCJA.

[Save Your Seat](#)

Final Pass-through Guidance Issued (199A)

The Department of Treasury issued its final regulation on the new 20% deduction on qualified business income for owners of pass-through entities (199A). As expected, the

final rule is dense. Stay tuned for an updated membership memo on implications for your business and your clients. (You can access our memo on the proposed regulation [here](#) and our comment letter to the Treasury [here](#)).

Indexing Capital Gains Taxes

A coalition of conservative groups sent a [letter](#) to President Trump this week urging him to index capital gains taxes to inflation. More than fifty groups signed the letter, including Americans for Tax Reform and the Club for Growth.

President Trump was considering making the change unilaterally during the summer of last year. However, there are serious questions over whether the Administration could legally execute the change, as the Constitution stipulates that matters of taxation are exclusively in Congress's purview. Any Administration move to index capital gains would likely face challenges, and the Democrat-controlled House will not support such a change legislatively.

Diversity in the New Congress

Redefining Representation: The Women of the 116th Congress (NYT)

The 116th Congress includes the most female Members of Congress ever – 131! The New York Times published a special section with really cool portraits of every one of them to mark the occasion. Your *Decoding* authors and editors will work to limit the paywalled content linked here, this one was deemed especially worthwhile to share with you. Note the NYT does allow non-subscribers five free articles online per month. The special section is available for purchase.

[Read More](#)

'We Call Ourselves the Badasses': Meet the New Women of Congress (Politico)

The 2018 election saw more than 100 women win elections across the country, shattering the previous record set in 1991, when 27 new women were sworn in. It is the youngest and most diverse freshman class in history and includes first Muslim and Native American women in Congress, the youngest-ever women in Congress, and the oldest female freshman member in history.

[Read More](#)

Insights on the Trump Administration

Mark Meadows, Trump whisperer (Politico)

Conservative lawmaker Mark Meadows (R-NC) is not an official member of the Trump administration, but he is one of the people that the President looks to the most for advice and guidance. They often speak more than once per day and sometimes for an hour-plus. Meadows was among a group of conservatives who urged the President to hold out and not commit to signing anything without the full \$5.7 billion requested for a Southern border wall.

[Read More](#)

Has the shutdown changed Trump's political standing? (Roll Call)

Even though polls consistently show that most Americans are not asking for a Southern border wall and that most blame the president for the shutdown, there is little reason to believe that President Trump's standing has been meaningfully downgraded. Polls show that his favorable rating has decreased by 2.5 points and his disapproval rating has increase by the same margin. It is unlikely that the president will lose considerable support among his base, but his support has dropped among independent voters who are more susceptible to swings in their political opinions. But the changes could be insignificant when considering statistical margin of errors in modern polling.

[Read More](#)

Grassroots Republicans sticking with Trump as government shutdown drags on (Washington Examiner)

The Republican National Committee members conveyed the grassroots support for the President at their annual winter meeting. Some Republican insiders expressed frustration with the president's use of the shutdown as a tactic, but still support the construction of a Southern border wall. Most Republicans across the country are backing both the man and the strategy.

[Read More](#)

ICYMI:

WRM: Qualified Plan Innovations to Help Employees with

Student Loans Save for Retirement

[Read More](#)

Ask us anything

Have a question or comment? Just reply to this email and send it our way!



Love AALU? Refer a friend today!

Copyright © 2019 AALU, All rights reserved.

You are receiving this email because you are a AALU Member

Our mailing address is:

AALU
11921 Freedom Dr Ste 1100
Reston, VA 20190-5634