



February 14, 2020

Washington Update



Parties Spar Over TCJA's Corporate Tax Cut At Ways & Means Hearing

This week's Ways and Means Committee hearing on the corporate tax rate was a partisan affair during which it was clear that the two parties are operating off of two different sets of facts. The opening statements from Chairman Neal and Ranking Member Brady illustrate this dynamic. The key takeaway is that Democrats are setting the stage to justify raising the corporate tax rate in 2021 should they win back the Senate and presidency, though they are unlikely to raise it back to 35%. The other element worthy of note is a new analysis from the Joint Committee on Taxation (JCT) of the effects of the corporate tax rate cut. Receipts from corporations declined by one third from 2017 to 2018 continuing a trend that began in 2015. C-rate tax revenue increased significantly in 2019, though did not return to 2017 levels. The JCT analysis also included an analysis of the behavioral responses to the tax cut since the TCJA's passage.

>> [Joint Committee on Taxation Report – Corporate Taxation](#)

House Passes Independent Contractor and Credit Reports for Employment Bills

The House recently passed two bills that could potentially impact the profession and your business. Neither bill has much of a chance in the Republican-led Senate, but Speaker Pelosi and her team are beginning to layout items they want to move next year if control of the Senate changes hands.

- The Protecting the Right to Organize (PRO) Act (H.R. 2474) alters independent contractor status by imposing an “ABC” test on all businesses and workers.

This makes it more difficult for companies to classify workers as contractors, which could negatively impact how your business is structured and the way carriers distribute products, ultimately affecting the protection and advice available to consumers.

- AALU joined with ACLI and several sister trade organizations in opposing this legislation. We laid out our concerns in a letter to the House members that you can read [here](#).

- The Restricting Credit Checks for Employment Decisions Act (H.R. 3614) which could prevent employers from accessing a potential employee's credit history, passed the House as passed as part of Rep. Ayanna Pressley's Comprehensive Credit Act (H.R. 3621) at the end of January. Advisors deal with their clients' personal and financial information on a regular basis, and if passed, this legislation could significantly impact the hiring process for financial firms.

We worked closely with our industry partners as these bills made their way through the House to raise awareness of the issues with the legislation and to suggest improvements. These bills will not be considered by the Republican-controlled Senate this year. We will continue to work with our partners to monitor these types of bills going forward.

>> [H.R. 3621 - Comprehensive CREDIT Act of 2020](#)

>> [H.R. 2474 - Protecting the Right to Organize Act of 2019](#)

SEC Releases Additional Guidance for Reg BI and Form CRS

This week the SEC released additional guidance on its Reg BI standard that will take effect on June 30, 2020. The Commission released two sets of FAQ's, one focused on

Reg BI and the other focused specifically on Form CRS, the required disclosure template. We will be providing members with a more detailed analysis on this guidance in the near future.

>> [Frequently Asked Questions – SEC Reg BI](#)

>> [Frequently Asked Questions – Form CRS](#)

>> [AALU Summary – SEC Reg BI](#)

Oh, to be a Fly-in the Walls of Congress



It's no secret that our lawmakers need help understanding complex issues. Of the 535 current Members of Congress, only 21 have background in any type of insurance, while there are 42 former prosecutors, 41 former mayors, 16 physicians, 7 ordained ministers, an almond farmer, and even a former NFL player. These Members vote on legislation ranging from tax policy to military action. Many wonder how Members of Congress learn about the vast array of niche issues. The answer is **you**.

This is the heart of AALU advocacy. Our unparalleled system is designed to make it easy and fun for you to engage and educate your representatives.

For many years, interest groups in Washington, including AALU, have hosted events

known as “fly-ins” to mobilize their membership to do this type of personal education. Associations will host an event for their members to fly to Washington, go to Capitol Hill, and use their voices to move the needle on legislation that matters to them. At AALU, we call this event Capitol Hill Club. This is a unique opportunity for hundreds of advocates to take on Capitol Hill together and leave a lasting impression among the nation's lawmakers, an impact that cannot be attained individually. The power of our profession in numbers is not to be underestimated.

As an industry leader and constituent, there is no one Congress wants to hear from more about the issues that directly impact the industry than you. In 2017, the Congressional Management Foundation published a 12-year study that found that over 94 percent of the 1,200 staffers surveyed agreed that in-person visits from constituents had “some” or “a lot” of influence over an undecided lawmaker. Furthermore, the report finds “79 percent [of congressional staffers] said a personal story from a constituent related to the bill or issue would be helpful, but only 18 percent report they receive it frequently.” This gap presents an enormous opportunity for AALU's members to give congressional offices what they want by making the personal connection between our noble work and federal legislation.

>> [Learn More](#)

Endorsed Candidate Profile: Rep. Tom Suozzi [D-NY-3]



Rep. Tom Suozzi, trained as an attorney and CPA, has been representing the Third Congressional District in New York since 2016. He is a member of the powerful Ways and Means Committee, the chief tax-writing committee of the House of Representatives; serving on both the Oversight and Tax Policy subcommittees. Congressman Suozzi is also the vice-chair of the bipartisan Problem Solvers Caucus, a group formed to bridge the gap between the two major political parties. Since his swearing in, Bob Eichler of Penn Mutual in New York has served as his ambassador, forming a close relationship over several years. Next month, Bob

will be meeting with Congressman Suozzi for lunch at AALU's office in Washington, D.C.

>> [Read Rep. Suozzi's Story Here](#)

In Case You Missed It:

On Feb. 4th, President Donald Trump Delivered his annual State of the Union address. Read the transcript [here](#).

While there are some inconsistencies with the results of the Iowa Caucus, the results show Mayor Pete Buttigieg has a 0.1 percent lead over Vermont Sen. Bernie Sanders, followed by Sen. Elizabeth Warren, Vice President Joe Biden, and Sen. Amy Klobuchar, in that order.

The New Hampshire primary results are also in. This time, Bernie Sanders leads Buttigieg by 1.3 percent, and Buttigieg is followed by Klobuchar, Warren, and Biden, in that order.

Calendar:

- **Feb. 14: Final day to vote on the AALU and GAMA merger – Check your email (including your spam) for your ballot!**
- Feb. 19: Democratic Debate hosted by MSNBC
- Feb. 22: Nevada Caucus
- Feb. 25: Democratic Debate hosted by CBS
- Feb. 29: South Carolina Primary election
- Mar. 3: Super Tuesday (Primary date for Alabama, Arkansas, California, Colorado, Maine, Massachusetts, Minnesota, North Carolina, Oklahoma, Tennessee, Texas, Utah, Vermont, and Virginia)
- Jul. 13: Democratic National Convention
- Aug. 24: Republican National Convention

Last day to vote to Unify the Profession

267 days until Election Day 2020!

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We've updated our login process! If you haven't done so already, click [here](#) to reset your password by selecting *Forgot password*.

Questions?

Contact support@aalu.org

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Our mailing address is:

AALU
11921 Freedom Drive
Suite 1100
Reston, Virginia 20190