



WRNewswire

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Newsire Special Report Series: Navigating the New Administration

With Republicans in control of the Presidency and both Houses of Congress, we expect increased legislative activity this session - including potential movement on comprehensive tax reform, among other items. With so many fast-moving developments that can ultimately impact the life insurance industry, AALU will provide regular policy updates throughout the week to make sure you have the information you need when talking to colleagues and clients during the next few months.

Republican Leaders Outline 2017 Congressional Agenda at Retreat Last Week



Last week, both House and Senate Republicans met for a retreat in Philadelphia to discuss the Congressional agenda for 2017—a gathering that featured a visit from President Trump. Speaker Paul Ryan (R-WI) downplayed differences with Trump when it comes to tax reform, explaining that they are on the same page and that he is working with the White House on a daily basis. Speaker Ryan outlined the GOP’s “200-day” legislative strategy, indicating that the plan is to repeal and replace the Affordable Care Act by the Spring and tackle tax reform before the August recess—and with the border wall, Republicans hope to complete most of their ambitious agenda by the end of the year. Senate Majority Leader Mitch McConnell (R-KY) said he has spoken with Ryan and is largely in agreement with the timeline laid out by the Speaker, though he cautioned that Senate obstacles could sidetrack this timeline.

One aspect of the House tax plan that could delay the process is the border adjustability provision, which exempts businesses from paying taxes on exports but denies them a deduction for the cost of imported goods. Ways and Means Chairman Kevin Brady (R-TX) strongly defended this provision, and stressed its importance to the overall goals of tax reform at the retreat. However, a spokesman for Senate Finance Chairman Orrin Hatch (R-UT) said that the Senator would need to see legislative text and have a better understanding of the provision before he could support it.

As AALU has explained in our client pieces for tax reform and estate tax repeal, many hurdles face the Republicans as they attempt to successfully reform the tax code in this Congress. We will continue to monitor the development of tax reform legislation and keep Members informed of the latest details.

