



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.

Speaker Ryan Kickstarts His Sales Pitch for Tax Reform

House Speaker Paul Ryan (R-WI) gave his first major speech selling tax reform yesterday at a National Association of Manufacturers luncheon to build momentum and public support for a tax reform overhaul this year.

Speaker Ryan stressed the importance of passing permanent tax reform that does more than just cut rates. He also stressed the need to complete tax reform in 2017, and encouraged Republicans to avoid missing a once-in-a-generation chance to reform the Code by moving forward without delay.

There were few new details revealed in this speech, as many of the discussed provisions were described in the House Blueprint—including lower individual and business tax rates and estate tax repeal. There was also no indication of any movement on key decisions.

However, Speaker Ryan did say that while the Republican plan will clear out special interest carve outs, the focus would be on keeping those that make the most sense—home ownership, charitable giving, and retirement savings. In the House Blueprint, only the mortgage interest deduction and the charitable deduction were listed as safe, so the inclusion of retirement savings is worth noting.

Speaker Ryan, along with Ways and Means Chairman Kevin Brady (R-TX), continues to stand by border adjustability as an essential element of reform, and he laid out the case for moving to a territorial system in his speech yesterday. He and Chairman Brady are also open to phasing in the tax over time, though this doesn't seem to have placated opponents, and the White House and Senate remain cool to the border adjustability provision.

Republicans face a number of additional challenges as they aim to complete tax reform this year, which Speaker Ryan acknowledged in his speech. As Congress focuses on tax reform, AALU continues to meet regularly with Members of Congress and their staff, in addition to members of the new Administration, about the importance of life insurance products and our concerns with potential tax reform provisions, in addition to our engagement with our industry partners. We will keep members informed on the latest details as tax reform legislation is developed.

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