



DECODING TAX REFORM

Advising the Advisor

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Bottom Line, Up Front



A vote on the nomination of Judge Brett Kavanaugh to the Supreme Court could be pushed back to October according to Senate Judiciary Chairman Chuck Grassley (R-IA). Both parties have requested a massive trove of records from Kavanaugh's time in the White House under President George W. Bush, which could slow the process considerably.

President Trump continued to threaten to shut down the government if he does not get funding for his proposed southern border wall, but he said this week he may wait until

after the November midterms elections. Overriding a Presidential veto to pass a government funding bill would require the help of Democrats, but both Senate Majority Leader Mitch McConnell (R-KY) and Senate Minority Leader Chuck Schumer (D-NY) expressed their desire this week to avoid a government shutdown.

Eagerly awaited guidance regarding the one-time tax on multinational corporations' offshore earnings was released by the Treasury Department this week after review by the Office of Management and Budget (OMB). Guidance on the newly created 20% deduction for passthrough businesses is still under review by OMB but is expected shortly.

Capital Gains Tax Cut Ahead?

Normally together in lowering taxes, the idea of indexing capital gains for inflation has put Republicans on opposing sides of the debate. Treasury Secretary Steve Mnuchin has reportedly been looking into whether the Department could independently index capital gains for inflation, sidestepping Congress. However, the Administration has not yet come to the conclusion that such a move should be a priority. Congressional Republicans are split as well. Senate Finance Chair Orrin Hatch (R-UT) agreed with Ranking Member Ron Wyden (D-OR) that only Congress holds the power to index capital gains for inflation. However, other Republicans, like Senator Pat Toomey (R-PA), believe the Treasury Department does have the authority to do just that.

[New Tax Break? Trump Administration Considers Indexing Capital Gains For Inflation \(Forbes\)](#)

As the Trump Administration mulls over indexing capital gains taxes to inflation, others worry that its \$100 billion price tag over 10 years is too high, especially considering predictions that the deficit is set to skyrocket in the coming years. But some, like Ryan Ellis, president of the Center for a Free Economy, think it could immediately unlock potentially trillions of dollars in asset sales that otherwise never would have happened.

Politics

[New Jersey House Race Becomes Ground Zero for Tax Debate \(Roll Call\)](#)

One major question leading up to the midterm elections is how the two parties will use last year's Tax Cuts and Jobs Act (TCJA) to boost their messages. In New Jersey, a state whose population was among the hardest hit in the country by the TCJA's \$10k limit on state and local tax deductions, the Republican and Democratic candidates in the 11th District find their messages are more similar than in most races across the country.

Upcoming Events

- **WIFS 2018 National Conference: Come see Suzy Jacobs, Senior Vice President of Business Development & Marketing, speak on the Leading the Way: An Industry Perspective panel.** October 24 - 26, 2018 | Use promo code **AALU18** when registering to receive the WIFS member rate. [Register Here](#)



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AALU Member

Our mailing address is:

AALU
11921 Freedom Drive
Suite 1100
Reston, VA 20190

