



DECODING TAX REFORM

Advising the Advisor

Friday, 14 December 2018

****Important Membership Information****

*All AALU members will need to update their login credentials in order to access content on the new aalu.org. Please reference the email sent by AALU CEO, Marc Cadin in early November for instructions on how to unlock our powerful new tool, created just for you. **If you did not receive that email or cannot find it, please let us know by sending an email to support@aalu.org or calling (703) 641-9400 so we can help you.***

ICYMI:

[The SEC Standard of Care Proposal and Best Interest Regulation: Where Do We Go from Here?](#)

Yesterday, Bridget McNamara-Fenesy, CEO & President of M Holdings Securities, and Jim Lundy, Partner at Drinker Biddle discussed the SEC's Standard of Care Proposal and AALU's engagement to date, as well as the Proposal's intersection with best interest efforts at the state level. Bridget and Jim reviewed the key tenets of the SEC proposal, delivered the latest updates on timing and other key issues, and provided insight from AALU's meetings with SEC Commissioners and staff.

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Beyond the Headlines

Both the House and Senate adjourned for the week without settling on a plan to avoid a government shutdown when funding runs out next Friday, December 21st. Complicating matters, President Trump seems to be sticking to his demand for \$5 billion in border wall funding. Looking to find compromise across the aisle, the President held an on-camera meeting with House Minority Leader Nancy Pelosi (D-CA) and Senate Minority Leader Chuck Schumer (D-NY) on Tuesday, during which he told the Democratic leaders that he would accept the blame for a shutdown in order to secure his border funding. House Majority Leader Kevin McCarthy (R-CA) said House plans for next week were "fluid and subject to change" and that he would likely ask lawmakers to return to Washington on Wednesday evening. House Appropriations members Robert Aderholt (R-AL), Steve Womack (R-AR), and Tom Rooney (R-FL) said Thursday that no plan to avoid a shutdown has been presented to rank and file members. Schumer insisted Thursday that Democrats won't provide the border funds, but that they're ready to pass spending bills to keep government agencies open.

House Ways and Means Chairman Kevin Brady (R-TX) released a revised tax bill this

week that has more chance of garnering support from GOP House members. Brady dropped the tax extenders provisions that have drawn criticism from the more conservative members of the caucus. He also added provisions favored by Republicans like a rollback of several health-care related taxes and a repeal of the Johnson Amendment, which prohibits churches and charities from making political endorsements. House Republicans are still gauging support for the bill. Rep. Mark Meadows (R-NC), leader of the influential House Freedom Caucus, told reporters on Tuesday that he was undecided on the measure. Senator Tom Reed (R-NY) characterized the situation more positively, but he was not sure if the bill was far enough along, adding "We're running out of runway." Senator Chuck Grassley (R-IA) said he expects the tax extenders package, along with less controversial provisions from Brady's bill, to be included in a year-end spending bill.

Government Funding

- ['There's no plan': Congress skips town as shutdown nears \(Politico\)](#)

With only seven days to find compromise, it does not appear as though Congressional leaders are attempting to make progress towards a deal. Democrats say they are waiting on Republicans, and Republicans say they are waiting on President Trump.

- [Trump says he'll do 'whatever it takes to get border security' as shutdown looms \(Washington Post\)](#)

The President continued to push for border wall funding on Thursday, pledging to go to great lengths to secure his campaign promise. In a Thursday tweet, the President claimed that Mexico would be paying for the wall construction by way of the money the U.S. will save under the new USMCA trade agreement. Both Pelosi and Schumer panned the idea as illogical. Appropriations Chairman Richard C. Shelby (R-AL) suggested that Congress could pass another short-term continuing resolution, extending funding at least until after Christmas, possibly into the new year.

Tax Cuts

- [House GOP Tax Package Still in Limbo as Clock Winds Down \(Roll Call\)](#)

Returning to DC on Wednesday next week, House Republicans are leaving little time to pass Chairman Brady's revised tax bill. Brady hopes that tweaks to his previous draft will entice more conservative members to support the bill, but there will be little interest from Senate Democrats to help fix errors in last year Tax Cuts and Jobs Act. While Brady dropped tax extenders from the bill, he states that he hopes the Senate picks up that part of the package in their own measure.

Upcoming Events

- **TRANSFORM 2019, An AALU Experience** | April 28th - 30th, 2019 | Marriott Marquis, Washington D.C. | [Register Here](#)



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