



# DECODING TAX REFORM

Advising the Advisor

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## **Bottom Line, Up Front**

A government shutdown looms as Republicans race to cobble together enough votes to extend the Continuing Resolution (CR) before government funding runs out at midnight tonight. The House passed their funding bill last night on a bipartisan [230-197 vote](#), but the Senate is proving a tougher row to hoe. With no Democratic support in the upper chamber, Senators have yet to find sixty votes to fund the government tomorrow.

The current CR proposal extends government funding through February 16, 2018, extends the Children's Health Insurance Program (CHIP) for six years, and it would delay the Medical Device Tax, 'Cadillac Tax,' and the tax on health insurers.

### **Potential Tax Legislation in 2018**

This week, Republican tax writers outlined their goals for tax reform legislation in 2018. However, getting any tax bill passed this year will be difficult, as the current struggle to avoid a government shutdown highlights.

Both Ways and Means Committee Chairman Kevin Brady (R-TX) and Senate Finance Committee Chairman Orrin Hatch (R-UT) said a technical corrections bill will be necessary to fix drafting issues in the Tax Cuts and Jobs Act. However, the extent of the changes and the timing of the legislation remain uncertain. Democrats are reluctant to support such a bill given the partisan process for tax reform last year. A technical corrections bill would need sixty votes in the Senate to pass. Additional Republican short-term priorities include the passage of an extenders bill and delaying some Affordable Care Act taxes.

Chairman Brady highlighted other tax issues to examine this year, including overhauling the IRS and the taxation of savings and retirement education. Chairman Hatch said his committee's agenda is still taking shape, though he indicated they are looking at everything, including an IRS overhaul. Ways and Means Republicans will attend a retreat next week to further hash out their tax goals for 2018.

- **AALU will continue to provide detailed analysis of the tax reform bill, including an exploration of marketplace opportunities.** See our previous tax analysis below, including our latest piece comparing grantor and nongrantor trusts under the new tax regime. We will be providing members with our first detailed passthrough Washington Report next week.
- [Read WRM 18-03](#): Decoding Tax Reform: Grantor vs. Nongrantor Trusts – Which Way Do I Go?
- [Read WRM 17-50](#): Decoding Tax Reform: Tax Legislation Headed for Enactment – Initial Insights
- [Read WRM 17-51](#): Decoding Tax Reform: The Transfer Tax Impact
- **We welcome your questions and ideas about future subjects you would like to see covered in depth. Please reach out any time at 202.742.4638 or [taxreform@aalu.org](mailto:taxreform@aalu.org).**

## News You Can Use



- [Tax Reform Isn't Over -- Here Come The States](#)
- [GOP Tax law a One-Two Punch to Charities — and American Giving](#)
- [SALT Shift Bolsters Munis' Appeal to Wealthy in High-Tax States](#)
- [With Tax Savings, Some Employers Will Boost 401\(k\) Contributions](#)
- [How Tax Reform May Impact Near-Retirees and Retirees](#)
- [Did the Tax Code Overhaul Kill Home Equity Loans?](#)
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