



February 15, 2019



Upcoming Webinar:

The 199A Deduction Series

**AALU's Pass-Through Win: How Can the 199A Deduction
Work for You?**

February 19, 2019

1:00pm ET

Tune in for an exclusive webinar with Ken Kies, Chris Morton, and Armstrong Robinson to discuss the regulation and answer questions on its applicability to you.

Save Your Seat

Shutdown Averted

As of publication, it looks like D.C. will avoid a second shutdown this year to the relief of almost every Member of Congress we've spoken to in recent weeks. The deal will restore normal funding and operations of the federal government through the end of the current fiscal year on September 30th.

However, there is a twist. President Donald Trump has indicated that he will sign the funding bill, but has also declared a national emergency so he can shift government funds from other accounts to get money for the border wall. His decision to declare a national emergency will produce legal and Congressional challenges. It also puts Republicans in Congress in a tough spot; forcing them to balance the President's popularity with the Republican base, and in some cases their support for a wall, with the precedent that an emergency declaration would set in the established checks and balances between the Legislative and Executive Branches of the federal government.

Finally, Onto the Regular Business

With government funding resolved for the time being, most of Congress is eager to get on with their business of oversight and legislation.

AALU continues work on TCJA implementation, especially with regard to the 199A deduction, Transfer for Value, & the estate tax clawback regulation. Since the funding

deal did not include any tax provisions, we will be working closely with the tax writers on RESA and retirement policy throughout the year. Our work with the SEC on their regulation of Best Interest continues and we expect that rule in the Spring.

In Memoriam

Besides work to avoid the shutdown, Congressional work this week was interrupted to celebrate the lives of two long serving members of Congress who passed: Rep. John Dingell (D-MI) and Rep. Walter Jones (R-NC). John Dingell served in the House of Representatives longer than any member in history, just over fifty-nine years! From his deathbed he dictated his last words to America to his wife, who succeeded him in Congress, for publication in the Washington Post. [It is worthy of your time to read.](#)

Rep. Patrick McHenry Has Sage Advice for Congress's New Rock Stars

Representative Patrick McHenry (R-NC) is a long-time friend of AALU and is an [Endorsed Candidate](#) in 2019. Reflecting his friendship to our profession and the strength of our membership in North Carolina, several of our elite Ambassadors have strong relationships with Patrick.

When first elected in 2004, McHenry was the youngest member of the House of Representatives. In his early days he made some mistakes of youthful exuberance. Given the youth and diversity of the incoming freshmen members of the 116th Congress, Patrick recently offered to share the wisdom gained from his early missteps with his colleagues.

[You can read Rep. McHenry's story, including a link to the podcast of his interview with Yahoo News.](#)

On the Offensive: House Republicans Set Targets for 2020

NRCC Chairman Tom Emmer (R-MN) announced the Republicans early targets in their campaign to regain the majority in the House. They need to net 18 seats to take the Speaker's gavel from Rep. Pelosi (D-CA) in 2021. There are fifty-five seats on the NRCC's first list and more than half are seats that were won by President Trump in 2016.

[See Full List](#)

Pelosi's Freshmen Fracture Amid GOP Pressure



House Speaker Nancy Pelosi has met with the freshmen Democrats several times, encouraging them to stay united and vote with the rest of the caucus. | M. Scott Mahaskey/POLITICO

House Democratic leaders are facing a rebellion among freshmen Democrats in swing districts. Using a procedural tool called a motion to recommit, Republicans have been

able to divide Democrats by successfully peeling off Democratic votes on a dozen of floor measures. While House Speaker Nancy Pelosi (D-CA) has discouraged these defections, House Majority Leader Steny Hoyer (D-MD) and Majority Whip Jim Clyburn (D-SC) have given centrist Democrats their blessing to vote their district. According to interviews with almost two dozen Democratic Members and staff, there is increased finger-pointing about who is to blame within the caucus.

[Read More](#)

Member Spotlight



Congresswoman Mikie Sherill sits in a booth at a diner. | Stephen Voss/Politico Magazine

Freshman Mikie Sherill (D-NJ), representing a swing district in New Jersey, is one of the new members bucking Pelosi's leadership. *Politico* profiles this 47-year old Navy veteran, and why she could be the most important new woman in Congress.

[Read More](#)

Gerrymandering in North Carolina

In an under the radar development, State politicians in North Carolina recently committed to reworking their Congressional districts this term, after years of squabbling between both parties and a court decision marking the current drawing of their districts “unconstitutional”.

[BGOV- NC Lawmakers say they're finally ready to end Gerrymandering](#)

Why is this important? Gerrymandering, the term most commonly used when describing a partisan drawing of Congressional districts to create advantages for one party or the other, has recently gained nationwide attention. The results of the 2020 elections – and the maps that will be drawn as a result – could set the direction of the House of Representatives for the next decade. Given the expiration of TCJA provisions in 2025 and 2026, including estate tax exemptions, this will have a big impact.

Learn more about gerrymandering, and its potential impact on future elections



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