

Republicans Lay Out Their Tax Reform Priorities

We now know exactly what the priorities of the unified Republican government in Washington, D.C., will be as they approach the issue of tax reform.

Congress is expected to begin working on legislation for comprehensive tax reform later this fall. In a joint statement released Thursday afternoon by Speaker of the House Paul Ryan, R-Wis., Senate Majority Leader Mitch McConnell, R-Ky., Senate Finance Committee Chairman Orrin Hatch, R-Utah, House Ways & Means Committee Chairman Kevin Brady, R-Texas, Secretary of the Treasury Steve Mnuchin and National Economic Council Director Gary Cohn, they stated:

For the first time in many years, the American people have elected a president and Congress that are fully committed to ensuring that ordinary Americans keep more of their hard-earned money and that our tax policies encourage employers to invest, hire and grow. And under the leadership of President Trump, the White House and Treasury have met with over 200 members of the House and Senate and hundreds of grassroots and business groups to talk and listen to ideas about tax reform.

We are all united in the belief that the single most important action we can take to grow our economy and help the middle class get ahead is to fix our broken tax code for families, small business and American job creators competing at home and around the globe. Our shared commitment to fixing America's broken tax code represents a once-in-a-generation opportunity, and so for three months we have been meeting regularly to develop a shared template for tax reform.

Over many years, the members of the House Ways and Means Committee and the Senate Finance Committee have examined various options for tax reform. During our meetings, the chairmen of those committees have brought to the table the views and priorities of their committee members. Building on this work, as well as on the efforts of the administration and input from other stakeholders, we are confident that a shared vision for tax reform exists and are prepared for the two committees to take the lead and begin producing legislation for the president to sign.

Above all, the mission of the committees is to protect American jobs and make taxes simpler, fairer and lower for hard-working American families. We have always been in agreement that tax relief for American families should be at the heart of our plan. We also believe there should be a lower tax rate for small businesses, so they can compete with larger ones, and lower rates for all American businesses so they can compete with foreign ones. The goal is a plan that reduces tax rates as much as possible, allows unprecedented capital expensing, places a priority on permanence and creates a system that encourages American companies to bring back jobs and profits trapped overseas. And we are now confident that, without transitioning to a new domestic consumption-based tax system, there is a viable approach for ensuring a level playing field between American and foreign companies and workers, while protecting American jobs and the U.S. tax base. While we have debated the pro-growth benefits of border adjustability, we appreciate that there are many unknowns associated with it and have decided to set this policy aside in order to advance tax reform.

Given our shared sense of purpose, the time has arrived for the two tax-writing committees to develop and draft legislation that will result in the first comprehensive tax reform in a generation. It will be the responsibility of the members of those committees to produce legislation that

achieves the goals shared broadly within Congress, the administration and by citizens who have been burdened for too long by an outdated tax system. Our expectation is for this legislation to move through the committees this fall, under regular order, followed by consideration on the House and Senate floors. As the committees work toward this end, our hope is that our friends on the other side of the aisle will participate in this effort. The president fully supports these principles and is committed to this approach. American families are counting on us to deliver historic tax reform. And we will. {eoa}