

Bond Case Briefs

Municipal Finance Law Since 1971

Ryan: Tax Reform Difficult After the Summer.

WASHINGTON – A tax-reform agreement has to be reached by the end of the summer or it will not happen during this Congress, House Ways and Means Committee Chairman Paul Ryan said Friday.

“We’re operating on the timeline that it’s got to be done within the first seven or so months of the year,” Ryan said at a question-and-answer session with reporters. It’s hard to see how any tax reform gets done after a new budget cycle starts in the fall, he said.

Ryan said he wants tax reform to be comprehensive, applying to both individuals and businesses. However he is open to accomplishing tax reform in phases if it is necessary to do it that way while there is a Democratic president and a Republican-controlled Congress. President Obama is only interested in doing business tax reform.

“The question is, can we find an agreement this year,” Ryan said. That means doing business tax reform and possibly some individual changes under a divided government and doing the rest of tax reform in the next Congress.

“I think we’re going to reform this tax code somewhere between one and three years away,” Ryan said. “And if we can do part of it in year one, great, but if we have to wait for year three to do it all, so be it, as long as we get it done.”

Another issue on the Ways and Means Committee’s agenda this year is a highway bill. The committee will also have to find a way to pay for highway funding, since the current law expires May 31.

One transportation funding idea that has been floated in Congress, notably by Sens. Barbara Boxer, D-Calif. and Rand Paul, R-Ky., is a one-time repatriation holiday. But Ryan is not a fan of this idea.

“That doesn’t work,” he said, adding that it doesn’t produce the money for the Highway Trust Fund. The only way repatriation can work to provide funds for the HTF is if it is done as part of tax reform, Ryan said. Obama is proposing to use one-time revenues from a transition business tax to provide transportation funds.

The top Democrat on the Senate Finance Committee, Ron Wyden of Oregon, wants bonds to be used to help finance infrastructure. Ryan said he hasn’t talked to Wyden about this idea.

On Thursday, the Ways and Means committee passed a bill that would make the state and local sales tax deduction permanent. The deduction, which can be taken in lieu of the deduction for state and local income taxes and expired at the end of 2014, is particularly important for states that do not have income taxes.

Ryan said the state and local sales tax deduction is “an issue of parity.”

THE BOND BUYER

BY NAOMI JAGODA

FEB 13, 2015 4:28pm ET

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com