

Bond Case Briefs

Municipal Finance Law Since 1971

House's Tax Plan Impacts Key County Priorities.

House tax reform plan keeps muni bonds mostly tax-free, caps property tax deduction, taxes interest on advance refunding bonds, private activity bonds

The House Ways and Means Committee passed the GOP's tax overhaul bill, the Tax Cuts and Jobs Act (H.R.1) Nov. 9 by a 24-16 vote along party-lines. Introduced Nov. 2 by Chairman Kevin Brady (R-Texas), the legislation culminates a year of work by Brady and House Republican leadership to craft a comprehensive tax reform package. The 452-page bill would alter nearly every portion of the tax code, including many key county priorities outlined below.

Broadly, the House Republican tax reform plan would lower individual and corporate tax rates and sets a new rate for so-called "pass through businesses," or businesses that file on the individual side of the tax code. To make up revenue lost by lowering rates and to simplify the code, the package also eliminates or caps dozens of tax deductions and credits. Ultimately, the Joint Committee on Taxation estimates H.R. 1 will result in a roughly \$1.5 trillion increase in the national deficit over the next decade.

Both chambers of Congress intend to move quickly on the legislation, aiming to send a final bill to the president's desk before Christmas. While the initial versions approved by each chamber could differ substantially, ultimately both chambers must agree on the same package before taking a final vote. Republicans plan to use the budget reconciliation process to pass the bill, which only requires a simple majority vote in the Senate but adds additional financial restrictions and rules to the legislation.

[Continue reading.](#)

NATIONAL ASSOCIATION OF COUNTIES

By JACK PETERSON Nov. 13, 2017

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com