



Construction Industry Round Table

Legislative News

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11/17/2017 – House Clears First Hurdle on Tax Reform Bill

The House on Thursday, November 16th, passed a sweeping tax bill that brings congressional Republicans and President Trump one step closer to the major legislative victory they are seeking before the end of the year. President Trump visited Capitol Hill earlier in the day ahead of the vote to rally support but no arm-twisting was needed in the 227-205 vote. Thirteen Republicans voted against the measure and no Democrats voted in favor. Though the House vote is a major step in the process, Senate Republicans still must to pass their own bill and then meet with their House counterparts to negotiate the differences between the two packages. At the moment, the contours of the Senate bill are notably different than the House product, calling for repeal of the Affordable Care Act's individual mandate and completely eliminating state and local tax deductions that are popular in high-tax states like California, New York and New Jersey. These differences could be difficult to reconcile, but for now, the House is on track for a signature legislative win that has eluded them all year.

The most meaningful provisions of the tax reform package are actually on the business side where the corporate rates will be reduced to 20 percent (immediately, unlike the one-year phase in the Senate version proposes), an accelerated expensing for all companies (which would help with capital improvements), and a one-time repatriation tax for off-shore holdings.