



Construction Industry Round Table

Legislative News

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08/09/2017 – Three CIRT Speakers Take Aim at a Tax Reform Package for This Year

As legislative calendars and schedules get more delayed due to failures to pass even a “watered down” repeal & replacement of ACA (“ObamaCare”), hope is fading that a meaningful/extensive reform package on taxes can be passed before the year’s end.

Notwithstanding, three speakers at CIRT conferences (Arthur Laffer, Stephen Moore, and Larry Kudlow) have joined with Steve Forbes to pen an open editorial to President Trump and the Republican leaders in Congress to do just that, pass a tax reform bill before the years end.

They “reject the idea that a simple, clear, growth-oriented tax cut can’t happen” this year. [See, IBD Perspective: *For A Tax Cut Before Labor Day, It Just Takes ‘Three Easy Pieces’* (July 17, 2017)]

To “jump start the tax debate” they proposed three elements to their initiative:

- (1) A 15% business tax rate for all small and large businesses, with full and immediate expensing for capital purchases (two-thirds of the benefit is estimated to go to workers);
- (2) A repatriation tax at 10% for foreign earnings brought back to the United States; and
- (3) A doubling of the standard deductions from \$6,500 to \$13,000 for individuals (and up to \$25,000 for couples filing jointly), to put more money into their pockets, as well as simplify tax returns.

The foursome believe these relatively straight forward “simple” steps would deliver a \$3.0 Trillion tax cut to workers and businesses over 10-years -- spurring a 3.0% plus GDP growth rate that would lower deficits at the federal, state, and local levels. But, they all agree passage of such a package of reforms is only a down payment on a more comprehensive proposal that is needed for tax simplification and broader reforms in 2018-19.