



Ben Taylor
Executive Director, Great Lakes Region
U.S. Chamber of Commerce



U.S. CHAMBER OF COMMERCE

Overview

- Quick 2018 Level Set
- Tax Cut & Jobs Act
- Other



Washington is a city of Southern efficiency and Northern charm.
-John F. Kennedy

115th Congress

- House: 239-193 GOP (3 vacancies)
 - 23 Rs up in HRC CDs
 - Tuesday Group v. Freedom Caucus
 - Speaker Ryan?
- Senate: 51-49 GOP Majority
 - New Additions: Doug Jones and...
 - 10 Dems up in Trump states (5 in Romney)
 - Uncle Mo: Warren-Sanders wing



U.S. CHAMBER OF COMMERCE

Congress' To-Do List

- ✓ Confirmations (Gorsuch)
- ✓ Work w/Admin on Reg Reform
- ✓ First Tax Reform in 31 Years
- Fund Gov't (1/19) & Debt Limit (late Mar)
- DACA (3/5)
- Healthcare: CSRs & CHIP (3/31)
- Infrastructure & FAA?
- Revise Iran Deal? FISA? North Korea?



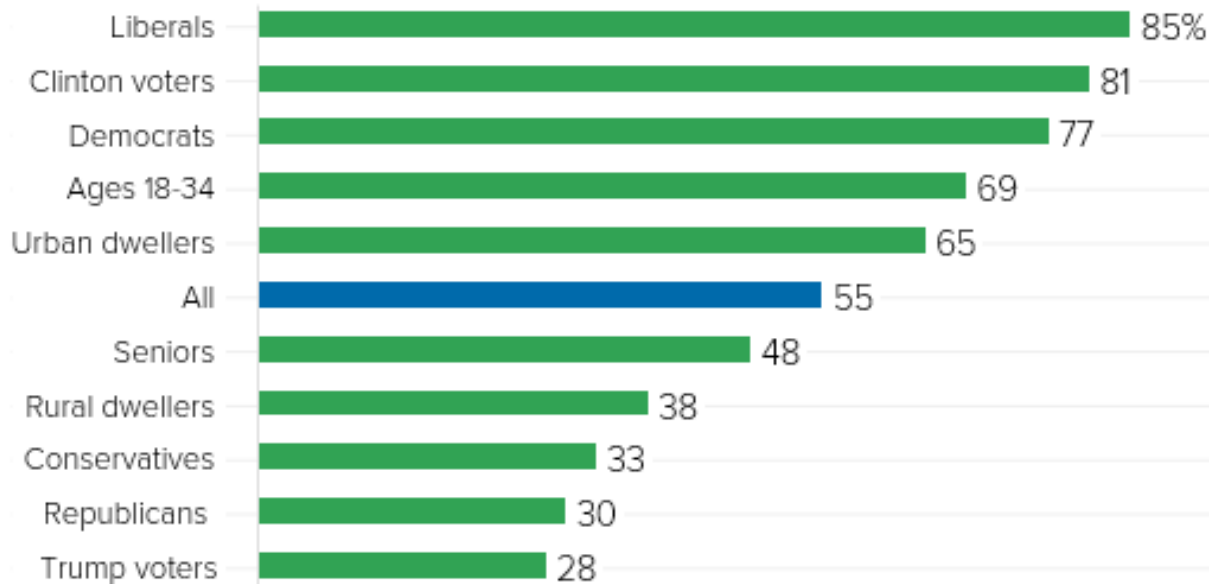
Reg Reform

- 14 successful Congressional Review Acts (only once before)
- DOL/EPA/NLRB rollback
 - OT, Fiduciary, WOTUS, CPP, Joint Employer
- Bouncer Rule
- Dodd-Frank reform requires legis
- **Regulatory Accountability Act**
 - Passed House



% comfortable with changes in American society

% saying they are comfortable with changes



NBC NEWS

Data: NBC News/Wall Street Journal poll. August 5-9, 2017.



U.S. CHAMBER OF COMMERCE

Americans Living Paycheck to Paycheck

2007

2017

41%

78%



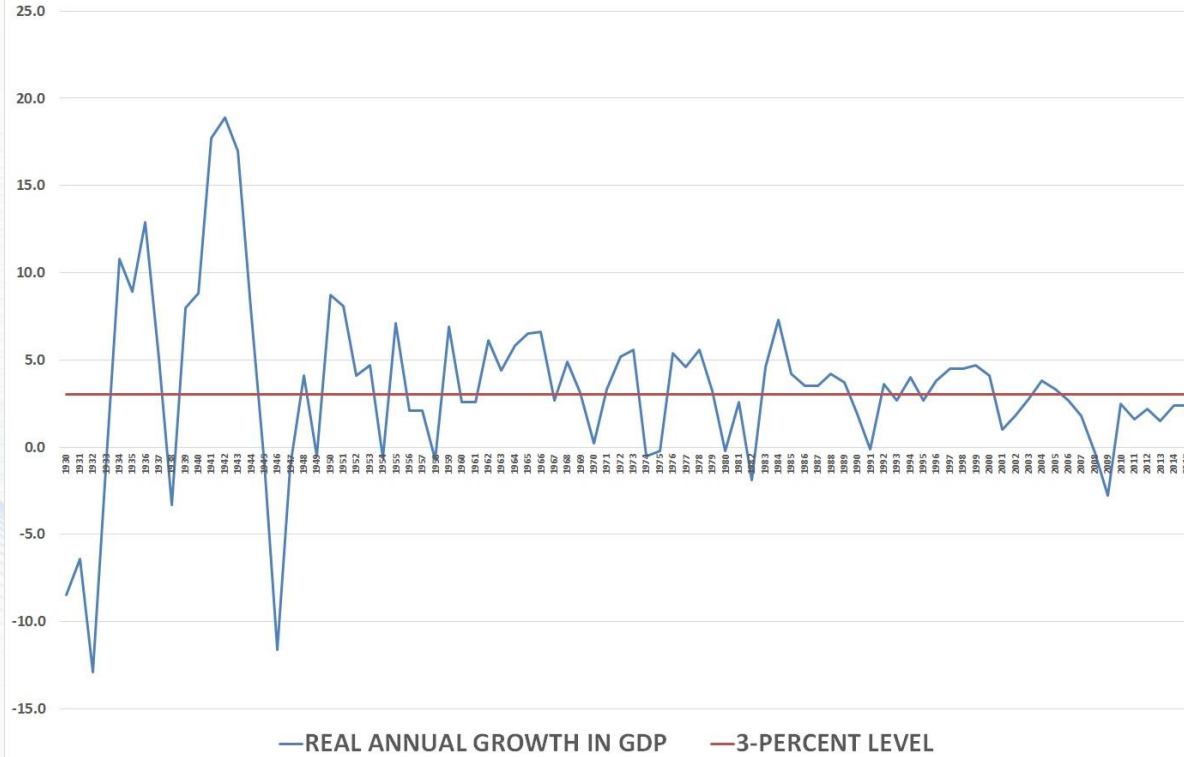
U.S. CHAMBER OF COMMERCE

The American Dream

	2009	2016
Anyone who works hard has a fair chance to succeed and live a comfortable life.	53%	49%
The economy mostly rewards the rich; it's difficult for average people to get ahead.	43%	48%



U.S. GOES RECORD 10 STRAIGHT YEARS WITHOUT 3% GROWTH IN GDP



U.S. CHAMBER OF COMMERCE

Moving from 2.5% to 3% real economic growth would, over a decade, **raise average incomes by \$4,200.**



U.S. CHAMBER OF COMMERCE



Statutory U.S. Corporate Tax Rate Compared to OECD Averages 1981 to 2012



Source: Tax Foundation calculations based on OECD and IMF data



U.S. CHAMBER OF COMMERCE

No Tax Reform Since '86

- It's hard – GIP & TIP
- No one likes status quo
 - Corp rates, Int'l, Simplify
- But one man's loophole...
- Reconciliation



TAX REFORM NOW



U.S. CHAMBER OF COMMERCE

Policy & Advocacy

- Engaged state and local chambers of commerce.
- Educated and activated hundreds of thousands of grassroots supporters.
- Ran a seven-figure paid media campaign in targeted districts and states across the country, including through [television](#), [digital](#), and [radio](#) mediums.
- Created TaxReformForAmerica.com
- Organized more than 300 in-district tax events with leaders from local businesses.
- Communicated feedback from the business community to the Senate and House Leadership and Committees, starting with our [principles](#) and continuing with guidance on specific provisions in the final conference report.





THE PATH TO PRO-GROWTH TAX REFORM

STEPS

Initial House Passage
of Budget Resolution

Initial Senate Passage
of Budget Resolution

Completion of
Budget Resolution

Ways and Means
Markup of Tax Reform

Initial House Passage
of Tax Reform

Finance Committee
Markup of Tax Reform

Initial Senate Passage
of Tax Reform

Senate Passage of
Final Tax Reform Bill

House Passage of
Final Tax Reform Bill

President Signs
Tax Reform

1

TAX REFORM HAS BEEN DELIVERED

10

TIMELINE

10/5



COMPLETED

10/19



COMPLETED

10/26



COMPLETED

11/9



COMPLETED

11/16



COMPLETED

11/17



COMPLETED

12/1



COMPLETED

12/20



COMPLETED

12/20



COMPLETED

12/22



COMPLETED

www.TaxReformforAmerica.com



U.S. CHAMBER OF COMMERCE

Disclaimer: Please note this is not intended to be a comprehensive explanation of TCJA, nor, in any way, should it be viewed as tax advice. We strongly urge you to consult with independent tax advisors.

*Courtesy: Dewy, Cheetham & Howe



U.S. CHAMBER OF COMMERCE

What's in it?

- Lowers corporate rate from 35% to 21%
- Lowers most individual rates (sunsets 2026)
- 20% deduction for pass-throughs
- Full & immediate expensing (5 years)



More?!

- Nearly doubles standard deduction (~90%)
- Doubles child tax credit (\$2,000)
- Eliminates Corp AMT
- Some personal AMT & Estate Tax relief



International

- Moves to an internationally competitive territorial system (ends double taxation)
- Repatriation of nearly \$4 trillion
 - 15.5% on cash locked abroad
 - 8% on physical assets



Deductions?

- Keeps charitable, mortgage interest (\$750K), medical, student loan int, graduate waivers.
- Maintains rehab & New Markets credits, PABs
- Limits SALT (\$20K)



So what? Pro Growth (source: Tax Foundation)

- 1.7 percent increase in GDP (10 years)
- \$1 trillion in additional Fed revenue
- 1.5 percent higher wages
 - After-tax income bump of \$2,169 for MI mid class
- 339,000 FTE jobs
 - MI: 26,625



What's not in?

- ACA taxes
 - HIT, Med Device Excise, so-called “Cadillac”
- Extenders
 - Energy incl: nuke, efficiency, fuel cell, geothermal



We need your stories

<https://www.taxreformforamerica.com/>



U.S. CHAMBER OF COMMERCE

Other priorities before Nov. 9? (Primary Aug. 7)

Infrastructure

Trade/NAFTA

Immigration/DACA



U.S. CHAMBER OF COMMERCE

Donald Trump's Contract with the American Voter

What follows is my 100-day action plan to Make America Great Again. It is a contract between myself and the American voter—and begins with restoring honesty and accountability, and bringing change to Washington. On the first day of my term of office, my administration will immediately pursue the following:

Six measures to clean up the corruption and special interest collusion in Washington, DC:

- **FIRST**, propose a constitutional amendment to remove term limits on all members of Congress.
- **SECOND**, a hiring freeze on all federal employees to reduce the federal workforce through attrition, increasing public safety and public health.
- **THIRD**, a requirement that for every new federal regulation, two existing regulations must be eliminated.
- **FOURTH**, a five-year ban on White House and Congressional officials becoming lobbyists after they leave government service.
- **FIFTH**, a lifetime ban on White House officials lobbying on behalf of a foreign government.
- **SIXTH**, a complete ban on foreign lobbyists raising money for American elections.

Seven actions to protect American workers:

- **FIRST**, I will announce my intention to investigate NAFTA or withdraw from the deal under Article 2306.
- **SECOND**, I will announce our withdrawal from the Trans-Pacific Partnership.
- **THIRD**, I will direct the Secretary of the Treasury to label China a currency manipulator.



- **FOURTH**, I will direct the Secretary of Commerce and U.S. Trade Representative to identify all foreign trading zones that unfairly impact American workers and direct them to the U.S. Trade Representative and U.S. Trade Representative to sue to end these zones immediately.
- **FIFTH**, I will stop the reduction on the production of \$50 billion dollars' worth of manufacturing jobs, U.S. natural gas and other fuels.
- **SIXTH**, in new Obama-Clinton trade deals and other vital energy infrastructure projects, like the Keystone Pipeline, to move forward.
- **SEVENTH**, cancel billions in payments to U.S. climate change programs and use the money to fix American roads and transportation infrastructure.

Five actions to restore security and the constitutional rule of law:

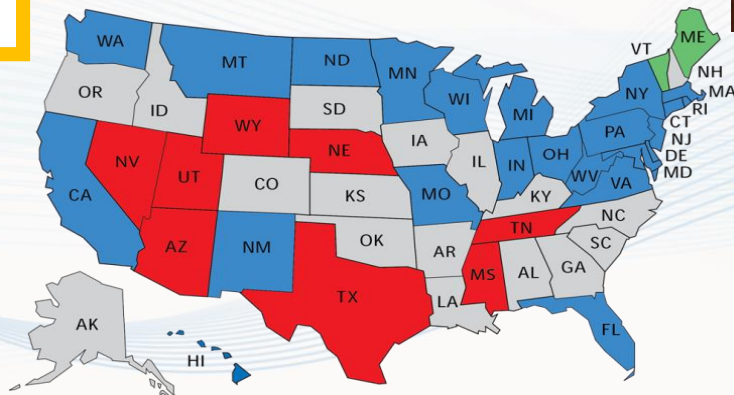
- **FIRST**, cancel every unconstitutional executive action, appointment and order issued by President Obama.
- **SECOND**, begin the process of selecting a replacement for Justice Sotomayor of the U.S. Supreme Court on my first day in office and submit a new U.S. Constitution.
- **THIRD**, cancel all federal funding to sanctuary cities.
- **FOURTH**, begin removing the three most law-abiding criminal illegal immigrants from the country and cancel visas to foreign countries that won't take them back.
- **FIFTH**, suspend immigration from terror-prone regions until we can ensure they are safe. As well as ensuring that the country will be protected from terrorism.


Donald J. Trump

Your signature

LEARN MORE AT
donaldjtrump.com/contract

Teamwork?



Democrat (23) Independent (2)* Republican (8)

*The two independents caucus with Democrats, so practically speaking the Democrats are defending 25 seats.



U.S. CHAMBER OF COMMERCE

\$1 Trillion? Or \$200bn + PPPs?



U.S. CHAMBER OF COMMERCE



NAFTA

NORTH AMERICAN FREE
TRADE AGREEMENT



U.S. CHAMBER OF COMMERCE

Who said it (re: NAFTA)?

- “Devastating”
- “A big mistake”
- We should use the hammer of a potential opt-out...”

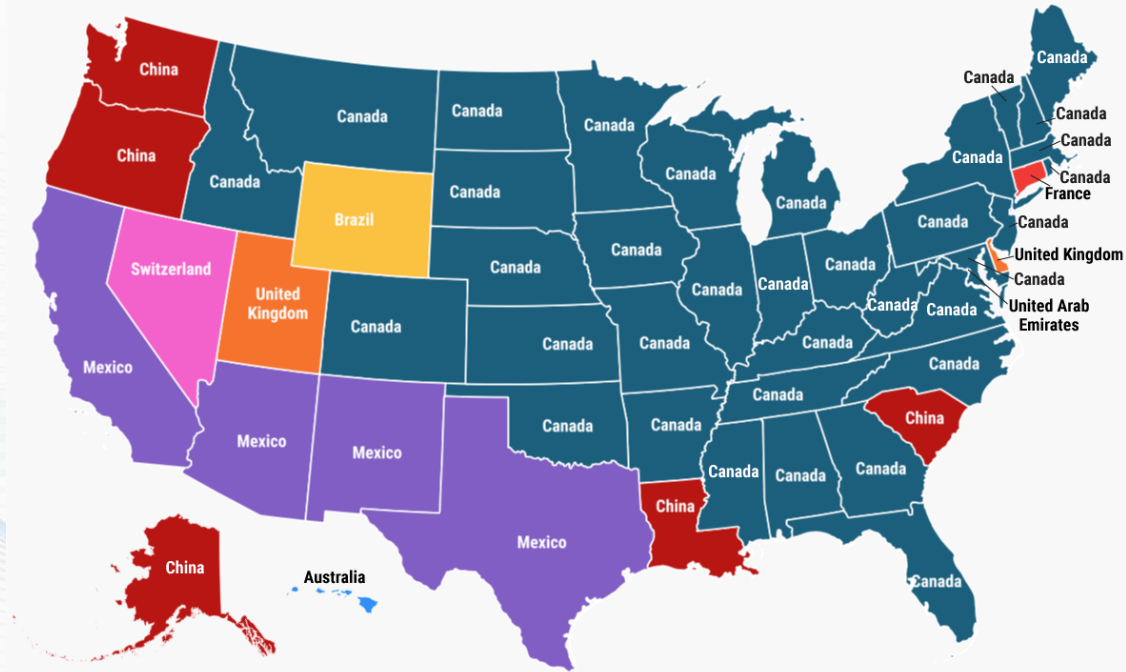


Trade with Canada and
Mexico supports
14 million jobs.



U.S. CHAMBER OF COMMERCE

BIGGEST EXPORT TRADING PARTNERS



SOURCE: US Census Bureau

BUSINESS INSIDER



U.S. CHAMBER OF COMMERCE

39% of MI GDP relies on trade

MICHIGAN

366,000

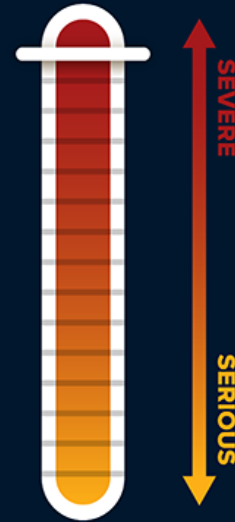
Jobs at risk if U.S. withdraws from NAFTA

65%

Share of exports bound for Canada and Mexico

\$35 Billion

Value of exports to Canada and Mexico



U.S. CHAMBER OF COMMERCE

Who said it?

"Those who come are generally of the most ignorant sort... few of them understand English... now they come in droves, intermeddling in our elections... changing our street signs... they will soon so outnumber us, we will not be able to preserve our language, nor even our government."

800k DACA recipients...



U.S. CHAMBER OF COMMERCE



Thank you for getting involved!

“The only thing necessary for the triumph of evil
is that good ~~men~~ people do nothing”

-Edmund Burke



U.S. CHAMBER OF COMMERCE