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# Overview

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



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

## 115<sup>th</sup> 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



# 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?



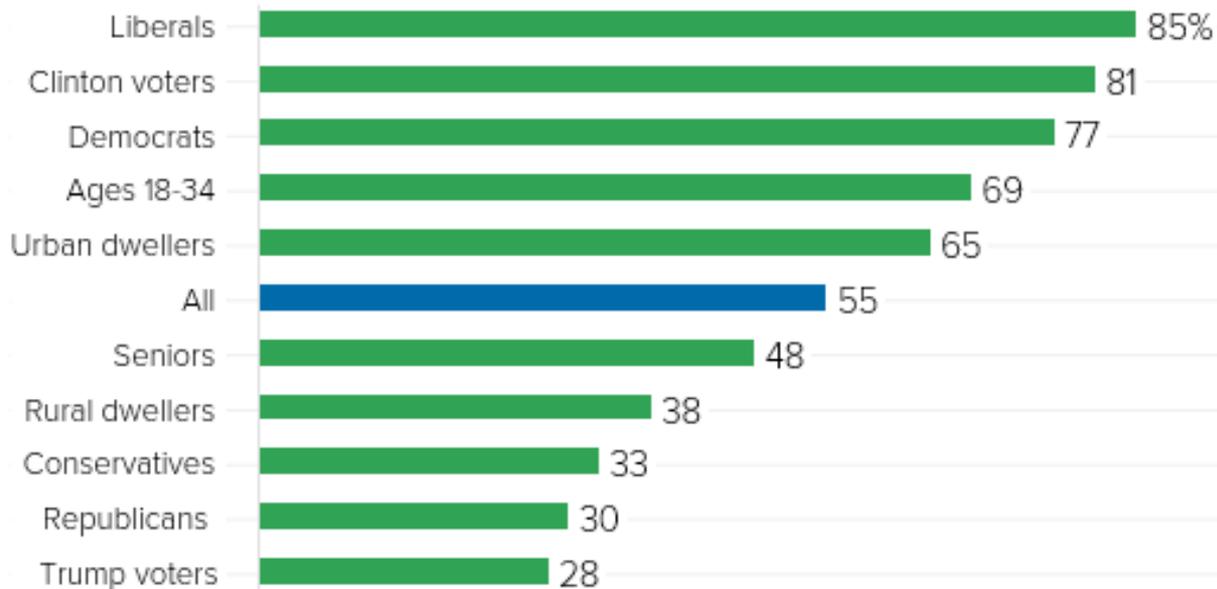
# Reg Reform

- 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



 **NBCNEWS**

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



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# Americans Living Paycheck to Paycheck

2007

2017

41%

78%



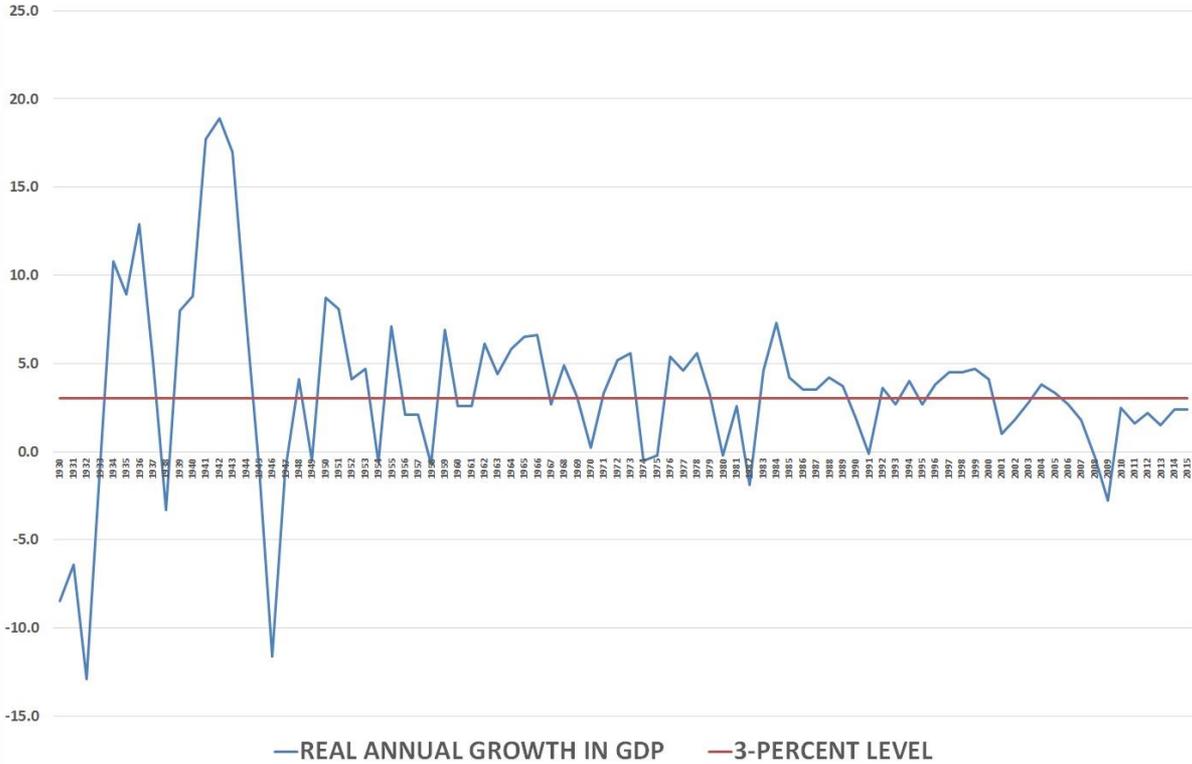
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# The American Dream

	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



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





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



Source: Tax Foundation calculations based on OECD and IMF data



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# 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



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# 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](http://www.TaxReformforAmerica.com)



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**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



# 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/>



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

Infrastructure

Trade/NAFTA

Immigration/DACA



## 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 restore 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 ban on both on White House and Congressional officials receiving 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 my 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 partners that unfairly impact American jobs and direct them to see to it that those partners immediately renege their trade agreements and renegotiate the terms of those agreements.
- FIFTH**, I will put the restructure on the production of 500 million dollars' worth of renewable energy.
- SIXTH**, I will direct the Secretary of Energy to begin the process of reorganizing energy research and development projects, like the Keystone Pipeline, to move forward.
- SEVENTH**, I will direct the Secretary of Energy to begin the process of reorganizing energy research and development projects, like the Keystone Pipeline, to move forward.

### 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 as my first priority and advise the U.S. Constitution.

**THIRD**, cancel all Federal funding to sanctuary cities.

**FOURTH**, begin the process of reorganizing the Federal Reserve to ensure that it is not controlled by foreign interests that seek to drain funds.

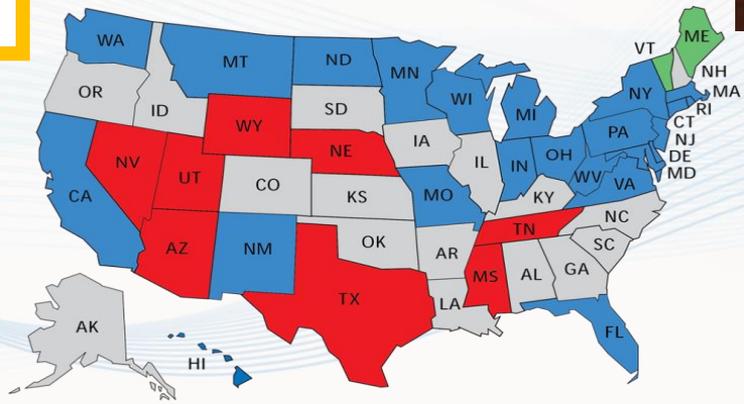
**FIFTH**, suspend immigration from terror prone regions unless vetted through every channel. All vetting of incoming immigrants that is not done through the normal vetting process will be suspended. No more vetting outside the country will be conducted. No more vetting outside the country will be conducted.

Donald J. Trump

Your signature

LEARN MORE AT [donaldjtrump.com/contract](http://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.



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



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# NAFTA

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NORTH AMERICAN FREE  
TRADE AGREEMENT



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# 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.**



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# 39% of MI GDP relies on trade

## MICHIGAN

**366,000**

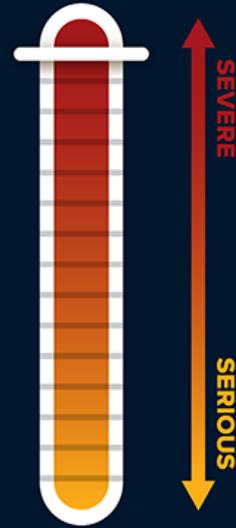
Jobs at risk if U.S. withdraws from NAFTA

**65%**

Share of exports bound for Canada and Mexico

**\$35 Billion**

Value of exports to Canada and Mexico



# 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...





Thank you for getting involved!

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

-Edmund Burke

