



International Right of Way Association Weekly Update

Monday, November 6, 2017

Trump Administration

- The President continues his Asia trip this week, while his Cabinet and senior staff promote tax reform in Washington, D.C. and around the country.
<https://www.washingtonpost.com/news/worldviews/wp/2017/11/03/what-to-look-for-during-trumps-landmark-asia-trip/>

Congress

- The House Ways and Means Committee begins marking up the tax reform legislation at noon today, planning to finish the markup this week.
<http://thehill.com/policy/finance/358648-gop-chairman-expects-to-finish-tax-bill-markup-by-thursday>
- Ways and Means Committee Chairman Kevin Brady said that House Floor consideration of the tax reform bill will be under a closed rule, eliminating the possibility for the legislation to be amended once the Committee concludes the markup and reports the bill to the Floor. <https://www.bloomberg.com/news/articles/2017-11-06/tax-bill-to-run-four-day-gauntlet-on-route-to-house-floor-vote>
- The Senate Finance Committee plans to release its tax reform legislation later this week or early next week, after the Ways and Means markup is completed.
<https://www.politico.com/story/2017/11/06/senate-tax-bill-house-republicans-244583>

Analysis

- The House Republicans released their tax reform proposal on Thursday, kicking off the months-long process to negotiate and pass the first comprehensive tax reform measure in over thirty years.
- Transportation advocates were stunned to see that the House proposal would eliminate the tax exemption for interest on Private Activity Bonds (“PABs”). Over twenty of the most influential trade associations and nonprofit organizations sent a letter to Chairman Brady and Ranking Member Neal of the Ways and Means Committee, articulating the ramification to infrastructure development and the ensuing economic harm that would result from this provision. <https://news.transportation.org/Pages/110317tax.aspx>

- While this provision would have a major impact on future infrastructure development, it is important to view this in context. This provision is part of the first public draft of the House tax reform proposal, and it is possible that it could be removed/amended at the Ways and Means Committee markup this week, before the bill even reaches the House Floor. Furthermore, the Senate has yet to release its tax reform legislation, and Minority Leader Schumer has already signaled his opposition to the PABs provision in the House legislation. <https://www.inframationnews.com/news/2526656/key-senate-democrat-criticizes-pab-elimination.thtml> And the Administration itself has signaled all year that it holds the opposite position on PABs—Treasury Secretary Mnuchin stated his support for enhancing PABs during his confirmation hearing, for example. <https://www.curbed.com/2017/11/3/16602350/affordable-housing-tax-reform-bill-bonds>
- One big unanswered question is whether there will be any room for infrastructure in the tax reform legislation. As we have previously reported, the Administration and Republican leaders in Congress have articulated a tax reform first, then infrastructure strategy. However, there is still no credible plan to offset the massive federal funding that would be a part of the Administration's infrastructure proposal, leaving some to wonder whether there is an opening to link infrastructure with tax reform. House Democrats have been particularly vocal about this strategy, although it is unclear what influence this vocal minority will have. <http://www.ttnews.com/articles/key-democrats-press-infrastructure-funding-amid-tax-reform-debate>