

Administration and Congress Plans Ambitious Agenda for 2017

By Ben Gann

The start of 2017 begins with a new Congress and Donald Trump set to be inaugurated as the 45th President of the United States (U.S.). Republicans control both legislative chambers and the executive branch for the first time in 10 years.

House Republican leaders have planned an aggressive agenda in Trump's first year as president, and are looking at repealing Obama-era regulations, tax reform, major changes to the Affordable Care Act (ACA), and an infrastructure spending package. House Majority Leader Kevin McCarthy (R-CA) has compared the 2017 House schedule to the one in 1994 when Republicans were very active after taking control of the lower chamber for the first time in 40 years.

The House is scheduled to be in session for 145 days in 2017. By comparison, the House was in session 21 fewer days in 2016.

Congressional Republicans are expected to exercise their authority under the Congressional Review Act (CRA) to repeal some regulations enacted toward the end of the Obama Administration. The CRA empowers Congress to overturn a regulation within 60 legislative days of enactment by allowing the House and Senate to pass a resolution of disapproval before being presented to the president for signature.

Congress may also look to pass the Regulations from the Executive in Need of Scrutiny (REINS) Act, which requires that any new regulation costing more than \$100 million per year to receive congressional approval.

Speaker of the House Paul Ryan (R-WI) has indicated reform of the tax code will be a goal for House Republicans in 2017. Comprehensive tax reform was last enacted in 1986, leading some to speculate that perhaps the moment has arrived for a major rewrite of the tax code.

Lawmakers could look to bring overseas profits back to the U.S. as a way of paying for programs such as infrastructure, lower tax rates and/or reducing the budget deficit. According to the Joint Committee on Taxation (JCT), U.S. based multinational corporations have approximately \$2.6 trillion in profits offshore to avoid paying corporate income taxes.

NLBMDA has been consistent in its support for comprehensive tax reform, but believes any reform of the tax code should preserve the mortgage interest deduction for home

owners as a cornerstone of the economy and should level the playing field for small businesses by not unfairly disadvantaging family-owned businesses.

Related to tax reform, President-elect Trump has proposed a spending package to repair roads, bridges, ports, airports and other infrastructure. The money does not currently exist within the Highway Trust Fund to meet the funding levels under current law for roads and bridges. The idea is some of the tax revenue from repatriating foreign income could be used toward infrastructure projects.

It is anticipated that Congress will also look to repeal and replace the ACA. There is broad agreement among congressional Republicans to repeal the ACA; however, there is not yet a broad agreement on what should replace the current law. There is also an expectation that a transition period of up to several years would be needed between repeal of ACA and implementation of a Republican alternative.

NLBMDA is a member of the [Stop The HIT Coalition](#), which includes a diverse group of trade and business associations working to repeal the health insurance tax (HIT) and protect the affordability of health care coverage.

As part of President Obama's health care reform bill, in 2014 a new fee was levied on health insurance companies. Although the HIT is levied on all insurance companies that offer fully-insured plans, the tax is passed down in the form of higher premiums to small and medium-sized business that offer fully-insured plans, which unlike large companies do not typically self-insure a health care plan. In the last Congress, legislation in both the House and Senate would repeal the HIT.

Dealers are encouraged to come to the nation's capital to discuss legislative issues affecting the lumber and building material industry with their lawmakers at the 2017 NLBMDA Spring Meeting and Legislative Conference, March 27 through March 29, 2017 in Washington, D.C. It is a great opportunity to meet with elected officials and network with other dealers. Learn more about the Legislative Conference by visiting www.leg-con.org.