



Tax

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In this issue:

Senate taxwriters weigh in on international tax reform, extenders..... 1

Senate taxwriters weigh in on international tax reform, extenders

In an otherwise a quiet week on the tax legislative front, several members of the Senate Finance Committee offered their views on a path forward for international tax reform and extenders legislation.

Portman pushes international reform/extendors package

Finance Committee member Rob Portman, R-Ohio, cited upcoming legislation to renew dozens of temporary tax provisions that expired at the end of 2014 as an “opportunity” for Congress to move on international tax reform legislation that would “provide incentives...for companies to bring money home from overseas” and “keep highly mobile intellectual property here in the US.”

Speaking at the Bipartisan Policy Center on November 10, Portman, who co-chaired the Finance Committee’s international tax reform working group with Sen. Charles Schumer, D-N.Y., earlier this year, noted that there is “remarkable” consensus in Congress on the need to overhaul US international tax rules and that the issue has taken on a growing sense of urgency.

This is not Portman’s first attempt at getting Congress to take action this year on international tax reform. During the summer and into the early fall, Portman and Schumer worked with then-House Ways and Means Committee Chairman – now Speaker – Paul Ryan, R-Wis., on what turned out to be an unsuccessful effort to link international tax reform to a must-pass infrastructure spending bill. (For prior coverage, see *Tax News & Views*, Vol. 16, No. 33, Oct. 2, 2015.)

[URL: http://newsletters.usdbriefs.com/2015/Tax/TNV/151002_1.html](http://newsletters.usdbriefs.com/2015/Tax/TNV/151002_1.html)

Hatch hints at potential difficulties: For his part, Finance Committee Chairman Orrin Hatch, R-Utah, told reporters on November 10 that he was “interested in” the idea of merging

international tax reform and tax extenders but cautioned that it would be “tough” to address such “large ideas” in the relatively few days remaining in the current congressional session.

Path forward for extenders under discussion

Congressional action on an extenders package could be difficult enough *without* the complicated policy issues that would arise with the addition of an international tax reform component, thanks to the disparate approaches the two chambers are taking to renewing the expired provisions.

The Senate Finance Committee opted in late July to approve unoffset legislation that would extend most of the lapsed temporary tax deductions, credits, and incentives through 2016, retroactive to the end of 2014. (For details, see *Tax News & Views*, Vol. 16, No. 25, July 24, 2015.) The House, in contrast, has approved a series of unpaid-for measures that would permanently extend – and in some cases expand – the research credit, the state and local general sales tax deduction, increased section 179 expensing for small businesses, tax relief provisions targeting S corporations, and several charitable-giving provisions. Several additional permanent extenders bills have cleared the Ways and Means Committee and currently await action on the House floor, but dozens of other expired provisions remain unaddressed. (For additional details, see *Tax News & Views*, Vol. 16, No. 31, Sep. 18, 2015.)

[URL: http://newsletters.usdbriefs.com/2015/Tax/TNV/150724_3.html](http://newsletters.usdbriefs.com/2015/Tax/TNV/150724_3.html)

[URL: http://newsletters.usdbriefs.com/2015/Tax/TNV/150918_1.html](http://newsletters.usdbriefs.com/2015/Tax/TNV/150918_1.html)

Finance Committee ranking Democrat Ron Wyden of Oregon said November 10 that the two chambers “have just begun” back-channel negotiations on extenders and are considering the appropriate legislative vehicle for moving an extenders package. (Many observers believe the tax extenders may be addressed in conjunction with appropriations legislation which must be enacted prior to December 12 in order to avert a government shutdown.)

Wyden also indicated that if House Republicans continue to push for permanent extensions of business provisions such as the research and development credit, congressional Democrats likely will insist on permanent extensions of certain temporary stimulus-era enhancements to the earned income tax credit and the child tax credit that are set to expire in 2017.

Finance Chairman Hatch stated that negotiations are expected to pick up when the House returns from its week-long district work period on November 16.

Ryan looks to bicameral tax reform

In other developments, House Speaker Paul Ryan described in a wide-ranging November 10 interview with Bloomberg News the role he envisions for himself as tax reform moves through Congress.

[URL: http://www.scribd.com/doc/289285084/Paul-Ryan-With-All-Due-Respect-11-10-15-Interview-Transcript](http://www.scribd.com/doc/289285084/Paul-Ryan-With-All-Due-Respect-11-10-15-Interview-Transcript)

“It can’t just be a Paul Ryan tax reform,” he said. “It has to be Republican tax reform by the Republican Ways and Means Committee and the Senate Finance Committee.”

Although he declined to go into specifics, Ryan emphasized that “everything should be on the table” – including scaling back or eliminating popular corporate and individual deductions – as Congress contemplates revamping the current tax system.

Ryan also indicated that he could support Congress acting on international reform before taking on the rest of the code, although he did not appear to anticipate action this year.

“I think if we could get [international tax reform] done earlier, ...that would be a good idea. I would love to see that done in 2016. I was working on that while I was [Ways and Means Committee] chair and I still think that that’s something that’s in the cards.”

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