More fault lines appear as lawmakers continue infrastructure negotiations

Even as President Biden invited a handful of Republican lawmakers to the White House this week in an effort to jump-start bipartisan talks on his sweeping $2 trillion infrastructure package, divisions between the parties – and within the Democratic caucus itself – continued to cloud the initiative’s path forward.

White House meeting

President Biden kicked off the week by inviting a handful of congressional Democrats and Republicans – including Senate Environment and Public Works Committee member Roger Wicker, R-Miss., and former House
Transportation and Infrastructure Committee Chairman Don Young, R-Alaska – to the White House for an April 12 meeting to discuss Biden’s infrastructure plan, which includes a spending component (dubbed the American Jobs Plan) and a financing component (the Made in America Tax Plan) that relies on tax changes affecting corporations and multinational enterprises. (For prior coverage of the plan’s initial rollout, see Tax News & Views, Vol. 22, No. 16, Apr. 2, 2021; for more detail on its proposed tax changes, including raising the corporate rate and reforming or repealing certain international tax provisions put in place by 2017 Tax Cuts and Jobs Act, see Tax News & Views, Vol. 22, No. 19, Apr. 9, 2021.)

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210402_1.html
URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210409_1.html

Going into the meeting, the president struck a conciliatory tone, indicating he was flexible on the plan’s details, including its financing structure.

“I’m prepared to negotiate as to the extent of my infrastructure project as well as how we pay for it,” Biden said.

After the meeting, Sen. Wicker acknowledged the discussion was cordial, but also seemed to indicate the two sides remained far apart.

“I view the 2017 tax bill as one of my signature achievements in my entire career,” Wicker said. “It would be an almost impossible sell from the president to come to a bipartisan agreement that included the undoing of that. …I did tell [President Biden] that.”

Senate Minority Leader Mitch McConnell, R-Ky, meanwhile, argued from the Senate floor later on April 12 that the president’s plan was too expensive, included policies that could not reasonably be categorized as “infrastructure,” and would put the economy at risk due to its tax increases.

“The White House has lumped together a motley assortment of the left’s priciest priorities,” McConnell said. “This plan would impose of one the biggest tax hikes in a generation, when workers need an economic recovery.”

**GOP alternative in the works**

Although Republicans remain opposed to the president’s infrastructure plan, a few GOP senators reportedly are preparing a more narrowly constructed counteroffer that may cost less than half of Biden’s proposal – “probably...$600 or $800 billion” according to Sen. Shelly Moore Capito of West Virginia, ranking Republican on the Senate Environment and Public Works Committee.

“What I’d like to do is get back to what I consider the regular definition of infrastructure...,” Capito said in an April 14 interview on CNBC. “So that’s roads, bridges, ports, airports, including broadband..., [and] water infrastructure.”
Whether the GOP plan will be fully paid for is unclear, but it does appear as if Republicans intend to adhere to the traditional “user-fee” construct – that is, emphasizing fuel and other excise taxes collected from users – in any counteroffer they roll out.

Utah Republican Sen. Mitt Romney told reporters on April 14 that “[t]he pay-for ought to come from the people who are using it.”

Though hiking excise taxes on gas and diesel fuel may be political nonstarters, concepts such as a vehicle miles traveled (VMT) fee and public-private partnerships have some appeal among Republicans. Public private partnerships (or “P3s”) would leverage private capital and tolling in the construction and maintenance of physical infrastructure.

A VMT fee is attractive to some GOP members as it would ensure that drivers of electric cars – who do not pay gas taxes – also contribute to federal highway coffers.

“Clearly by bringing in additional revenue from actual miles driven is going to create some additional revenue,” Romney continued.

Still, it seems unlikely that a package of the size and substance that Republicans are considering could garner enough Democratic support – particularly among progressives – to be enacted into law.

“We have a major crisis in terms of roads, bridges, water systems, affordable housing, you name it,” Senate Budget Committee Chairman Bernie Sanders, I-Vt., told reporters April 14. According to Sanders, the GOP proposal – which has not yet been unveiled – “is nowhere near what we need. Not to mention, of course, we’ve got to address the existential threat of climate change.”

For his part, though, Delaware Democratic Sen. Chris Coons said in an April 15 interview on CNN that he would be willing to negotiate with Republicans on a traditional infrastructure package in the range of $800 billion-$1 trillion and move some of the less traditional elements in the president’s plan (those related to child care and elder care, for example) in a separate package under budget reconciliation protections.

It was unclear at press time exactly when Republicans will formally release their counteroffer.

**SALT cap opponents lay down more markers**

As the president tested the waters on a bipartisan agreement on infrastructure, he and congressional Democratic leaders also contended with an increasingly vocal group of lawmakers within their own ranks who want any forthcoming economic recovery legislation with a significant tax title to also repeal the $10,000 annual limit on the deduction for state and local taxes (SALT) put in place by the Tax Cuts and Jobs Act.

This week saw a pair of developments on that front.
(Most) New York Dems call for repeal: First, in an April 13 letter led by Democratic Reps. Tom Suozzi and Jerrold Nadler of New York and sent to House Speaker Nancy Pelosi, D-Calif., and House Majority Leader Steny Hoyer, D-Md., 17 of New York’s 19 Democratic House members said that they “reserve[d] the right to oppose any tax legislation that does not include a full repeal of the SALT limitation.”


Assuming those lawmakers remain united, a voting bloc of that size would be more than large enough to derail any partisan infrastructure package that Democrats may attempt to move through the House, given the party’s narrow margin of control in that chamber. After the swearing in of GOP Rep. Julia Letlow, R-La., on April 14, Democrats hold 218 House seats, Republicans hold 212, and 5 seats remain vacant. That means Democratic leaders can afford to lose only two votes within their conference if they wish to pass legislation without GOP support.

SALT caucus: The second SALT-related development came April 15, when a group of roughly one dozen lawmakers including Suozzi, as well as Reps. Josh Gottheimer, D-N.J., and Andrew Garbarino, R-N.Y., held a press conference to announce the formation of a bipartisan “SALT caucus” that will work to advocate for the SALT cap’s repeal in the weeks and months ahead. (The newly formed caucus is co-chaired by Suozzi and Gottheimer, and its membership roster currently includes 32 House lawmakers from both sides of the aisle.)


The White House, for its part, has remained relatively quiet on the matter thus far, other than to note that changes to the cap might be in play going forward if budgetary and political factors allow.

“The SALT deduction would not be a revenue raiser, so they may come with proposals and ideas on that...,” White House press secretary Jen Psaki said April 14. “But we’re certainly happy to hear more from them on the impact and why they think this is so important to their states and communities.”

Alienating progressives?: But any serious effort to include an outright repeal of the cap in an infrastructure package likely would spark opposition from progressive Democrats, who argue that doing so would primarily benefit higher-income households.

“I don’t think that we should be holding the infrastructure package captive for a 100 percent full repeal of SALT,” Rep. Alexandria Ocasio-Cortez, D-N.Y., told reporters April 15. “I think that it’s one thing to talk about the actual cap because there are absolutely communities that are really feeling this in New York City, California, etc. But when we actually look at the breakdown of SALT, the vast majority of the benefit of a full repeal with no cap – you know, just abolishing this cap – is just unequivocally a benefit of the richest people.”

Regular order versus reconciliation

These political dynamics continue to be critical to Democratic leaders’ decisions around whether to pursue a bipartisan package that can garner at least 10 Senate Republican votes to overcome a potential filibuster or whether, instead, to again invoke the budget reconciliation process – as they did with the $1.9 trillion
American Rescue Plan earlier this year – to bypass the GOP and pass a bill with all 50 Senate Democrats plus the tie-breaking vote of Vice President Kamala Harris.

Any attempt to use reconciliation, however, will require congressional Democrats to either adopt a budget resolution for upcoming fiscal year 2022 (which is set to begin October 1), or, potentially, seek to revise the fiscal 2021 budget resolution that Democrats adopted to move the American Rescue Plan in a way that recharges the reconciliation process teed up in that blueprint. That latter option – which has not been leveraged before by either party – recently became available when a spokesperson to Senate Majority Leader Charles Schumer, D-N.Y., indicated the Senate parliamentarian had given Schumer a favorable ruling in that regard. However, questions persist about just what that ruling said – it has not been made public – and whether it includes any process- or policy-related constraints. (For prior coverage, see Tax News & Views, Vol. 22, No. 19, Apr. 9, 2021.)

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210409_2.html

Democrats’ procedural intentions should become clearer in the coming weeks after President Biden unveils his next economic package – dubbed the American Families Plan – which is expected to focus on new spending for health care, child care, and education, and likely will be paid for with tax increases on upper-income individuals. Bipartisan cooperation would likely be even more difficult to achieve should Democratic leaders attempt to package together elements of both his infrastructure package and the American Families Plan into a single bill – an approach that also could create divisions among rank-and-file Democrats.

Biden is likely to elaborate on his policy proposals when he delivers an address to a joint session of Congress scheduled for April 28.

**Timing**

One potential signal of when an infrastructure package might see floor action came this week from House Transportation and Infrastructure Chairman Peter DeFazio, D-Ore., who said on April 15 that his panel would mark up a surface transportation bill during the last two weeks of May. (Regardless of the specific legislative process Democrats employ, the mark up by DeFazio’s panel would not necessarily implicate tax code provisions, which are under the jurisdiction of the House Ways and Means Committee.)

“My bill will, as much as possible, reflect the priorities of the president,” DeFazio said.

For her part, Speaker Pelosi has indicated she would like to see an infrastructure package passed through the House prior to July 4.

— Alex Brosseau
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Partisan fissures emerge over Treasury’s position on corporate tax reallocation, global minimum tax

With the Biden administration linking its own recent proposals for corporate tax increases to the development of a new multilateral corporate tax framework, the first cracks have emerged in what to date has been a bipartisan congressional approach to the US’s negotiations in ongoing talks among OECD and G20 member nations aimed at revamping the payment and allocation of international taxes.

As part of his newly released Made in America tax plan, President Biden has proposed to increase the US corporate tax rate to 28 percent, and both he and some key Senate Democrats have also proposed significantly increasing the rate on global intangible low-taxed income (GILTI), which some have described as a US minimum tax on income earned by US multinational corporations. (For details on the president’s proposed tax changes, see Tax News & Views, Vol. 22, No. 19, Apr. 9, 2021.)

At the same time, Treasury Secretary Janet Yellen has said the US would support the adoption of a global minimum corporate tax in order to reduce tax arbitrage and create a more level playing field – a position being negotiated with 139 countries through what is known as Pillar 2 of the OECD/G20 process. A global minimum tax could also reduce any competitive disadvantage US-domiciled companies might face from a higher US corporate tax rate.

On the heels of all this, it was reported April 8 that the US has offered a new plan meant to unblock a separate part of those multilateral negotiations, proposing that the world’s 100 largest multinationals pay taxes to each country based on the market for their goods or services sales in each country. Treasury has not officially released a document, but the proposal shared with other countries’ negotiators the week of April 5 has been circulated in the financial press. (For prior coverage, see Tax News & Views, Vol. 22, No. 19, Apr. 9, 2021.)

Taxwriting leaders weigh in

Senate Finance Committee Chairman Ron Wyden, D-Ore., one of the authors of a new Democratic framework for revamping the tax rules for US multinationals, has signaled his support for the Biden administration’s positions, saying they have the potential to lead to enactment of “a global tax system that treats US companies fairly.”

“When looking at the total effects of both Pillar 1 and Pillar 2, Treasury’s proposal could be the basis for a global deal,” Wyden said in a statement April 9. “Importantly, this proposal could support necessary reforms to US tax laws, ensuring our multinational corporations are incentivized to invest in the United States and pay their fair share.”
House Republican taxwriters, in contrast, sent Yellen a letter April 8 saying they were “very concerned” that her Pillar 2 negotiating position “will permit other countries to enact minimum taxes at rates lower than today’s GILTI effective rate, while the Biden administration seeks to double the GILTI rate paid by US-headquartered companies.” Ways and Means Committee Republicans, led by Rep. Kevin Brady of Texas, also asked Yellen to brief them on her Pillar 1 proposal and the administration’s negotiating goals so they could understand “whether they align with what we see as an urgent need for a strong position in favor of the US tax base, workforce, and business community.”


Republicans, who lowered the corporate tax rate and established the GILTI regime as part of the Tax Cuts and Jobs Act in 2017, have strongly opposed President Biden’s new plan to roll back the tax cuts, increase the tax rate on GILTI, and make other international tax changes they view as harming the competitiveness of US companies.

The top Republican on the Senate Finance Committee, Sen. Mike Crapo of Idaho, released his own statement April 12 reserving judgement on Yellen’s new Pillar 1 proposal but stating that he “will not support an OECD agreement that discriminates against US businesses, or adversely affects American jobs and investment.”

URL: https://www.finance.senate.gov/ranking-members-news/crapo-statement-on-treasury-oecd-proposal

“Treasury’s new proposed Pillar 1 approach will need to be evaluated based on its potential effects on US businesses and the United States’ fiscal security,” Crapo said.

**Continued agreement on DSTs**

Congressional tax leaders on both sides of the aisle fully agree that they want to see an end to the digital services taxes (DSTs) that a number of countries – especially in Europe – have enacted or proposed as a way of collecting more revenue from many high-tech companies. US negotiators during the Trump era insisted that such unilateral measures must be repealed as part of a global agreement, and the new Biden Treasury proposal similarly calls for a “standstill and rollback” approach and states that the US is seeking “a precise definition of ‘relevant unilateral actions’” recommended for repeal in the most recent OECD blueprint.

Countries including Austria, France, India, Italy, Spain, Turkey, and the UK have implemented DSTs in the past two years – although some have delayed collection – and the Office of the US Trade Representative (USTR) has ruled that the taxes are discriminatory against US companies and subject to retaliatory tariffs. The Trump administration announced tariffs on certain imports from France, but these have been suspended while the Biden team investigates other DSTs and considers a coordinated response. USTR is currently receiving comments on tariffs it has proposed against the other six countries.

Wyden, Crapo, and House Republicans all argued in their recent statements that DSTs are counter to the goals of the multilateral talks and that countries must agree to withdraw them.
“Such moves by other countries would represent a tangible sign that they are serious about reaching an agreement,” said Crapo, “particularly as the Biden administration proposes significant changes to US law based on the likelihood of a comprehensive OECD agreement and implementing actions by the countries involved.”

— Storme Sixeas
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Tax gap could top $1 trillion a year, Rettig says

The federal tax gap – the difference between the amount of taxes owed to the government and the amount collected – likely is higher than official estimates suggest and could equal or even exceed $1 trillion a year, Internal Revenue Service Commissioner Charles Rettig told Senate taxwriters this week.

Speaking at an April 13 Senate Finance Committee hearing on the 2021 tax filing season, Rettig explained that the IRS’s most recent published estimate, which covers the years 2011-2013, puts the gross annual tax gap at $441 billion. An updated estimate is expected next year.

URL: https://www.irs.gov/newsroom/the-tax-gap

But that figure does not provide an adequate indication of current levels of noncompliance, he said, in part because it does not reflect the impact of cryptocurrency – something that was not on the government’s radar in 2011. Rettig noted that there currently are more than 8,600 virtual currencies in the marketplace with a total estimated value of $2 trillion.

Official estimates also likely do not reflect the full extent of underreporting by taxpayers on foreign-source income, passthrough income, offshore income, and illegal-source income, Rettig said. Citing a recently released report (whose authors include two members of the IRS’s research, applied analytics, and statistics team), Rettig stated that noncompliance among the top 1 percent of individual taxpayers likely reduces federal receipts by an estimated $175 billion a year. (For prior coverage, see Tax News & Views, Vol. 22, No. 14, Mar. 26, 2021.)

URL: https://www.nber.org/papers/w28542
URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210326_6.html

Budget and legislative remedies

Finance Committee Chairman Ron Wyden, D-Ore., noted that Rettig’s estimate confirms the committee’s own suspicions about the true scope of noncompliance among certain segments of taxpayers and announced that for as long as he holds the gavel the panel’s annual filing season hearings will “put a special focus on what the IRS has done to catch the cheats and close the tax gap.” He also asked Rettig to recommend actions Congress can take, both in terms of providing additional budget resources and making legislative changes, to help the Service address the problem.
Budget: Rettig replied that tackling noncompliance requires a “multifaceted approach.” He commented several times during the hearing that the Service is constrained by a lack of enforcement resources – specifically, that the Service’s headcount in audit and enforcement has fallen by 17,000 over the past 10 years, a situation several Democrats on the panel attributed to congressionally mandated cuts to the IRS budget.

With a $1 billion increase in its enforcement budget, Rettig said, the Service could hire 4,875 front-line personnel (and their counterparts in the Taxpayer Advocate Service, Appeals Division, and Office of Chief Counsel) and modernize its information technology systems to enhance its ability to identify the increasingly sophisticated financial transactions and tax-avoidance strategies in the marketplace. (The Biden administration called for a $1.2 billion increase in the Service’s base funding allocation for fiscal year 2022 in the preliminary spending request for federal departments and agencies it released on April 9. For prior coverage, see Tax News & Views, Vol. 22, No. 19, Apr. 9, 2021.)

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210409_5.html

Rettig also commented in his opening statement that multi-year budgeting for the IRS (as opposed to an annual appropriation) would give the Service the stable funding source it needs to carry out its planned technology upgrades.

Finance Committee Democrat Elizabeth Warren of Massachusetts said that she plans to introduce legislation that would classify the enforcement component of the Service’s budget as mandatory spending, an approach she said would provide “more stable funding that’s targeted to catching the biggest fish.”

Rettig agreed that Warren’s proposal would bolster the Service’s efforts to address the tax gap.

“Mandatory, consistent, adequate, multi-year funding allows us to plan appropriately,” Rettig said. “Every time we go into hiring, we have a concern over whether we can actually feed those folks the next year.”

Information reporting: In terms of tax code changes, Rettig told the panel that Congress could help the Service narrow the tax gap by tightening information reporting requirements “across all lanes.” He noted that in areas of the tax code where there are “substantial” information reporting requirements, “about 99 percent of income items” are captured. That figure drops to about 45 percent in areas where information reporting is not required, he added.

There was bipartisan discussion among taxwriters about information reporting specifically targeting cryptocurrency transactions – something Chairman Wyden said presents “huge new opportunities” for tax noncompliance.

Finance Committee Republican Sen. Rob Portman of Ohio said he is working on bipartisan legislation that would define cryptocurrency for tax purposes and asked Rettig for suggestions on what types of reporting requirements would be most useful.
Rettig replied that the Service could provide technical guidance on that issue and noted that the 2020 Form 1040 specifically asks whether a taxpayer engaged in cryptocurrency transactions. He told Portman that the cryptocurrency world is “replicating itself constantly” and that many elements are “not visible by design.” He also noted that the cybercrimes unit of the IRS’s Criminal Investigations division has been “spectacular operating in the dark web engaging with cryptocurrency-related transactions.”

In an exchange with Sen. James Lankford, R-Okla., Rettig noted that the Service and the Treasury Department are working on guidance to help clarify when a cryptocurrency transaction is considered a taxable event.

Addressing a different reporting initiative, Rettig said in response to a question from Democratic taxwriter Sheldon Whitehouse of Rhode Island that the Service is training front-line personnel on a recently enacted provision that requires certain business entities to report their beneficial owners to the Treasury Department’s Financial Crimes Enforcement Network. The reporting requirement was one of several anti-money laundering provisions included in a defense spending bill that took effect in the final weeks of the Trump administration after the House and Senate voted to override then-President Trump’s veto of the underlying legislation. (For details, see Tax News & Views, Vol. 22, No. 1, Jan. 8, 2021.)


Whitehouse asked that the IRS brief the committee on its efforts to implement the reporting provision.

Other legislative recommendations: Rettig also told the panel that Congress could address the tax gap by requiring electronic filing for most tax returns, providing the IRS with authority to address correctable errors on tax returns, and giving the Service regulatory authority over paid tax return preparers.

Audit priorities

Sen. Whitehouse asked Rettig about a recent audit report from the Treasury Inspector General for Tax Administration (TIGTA) which concluded, among other things, that the IRS does not make high-income individuals a priority in its efforts to recoup delinquent tax payments and that the agency lacks an overall strategy to address noncompliance among these taxpayers. According to the report, the Service’s recovery rate for unpaid balances of high-income taxpayers is only 39 percent, resulting in a revenue loss of $2.4 billion. Whitehouse also noted that the report suggests that filers claiming the earned income tax credit (EITC) are more likely to be audited than wealthy taxpayers.

URL: https://www.treasury.gov/tigta/auditreports/2021reports/202130015fr.pdf

Rettig replied that he disagreed with the TIGTA report “entirely” and said the assertion that the Service does not prioritize collecting unpaid balances from wealthier taxpayers is “absolutely false.” He also told Whitehouse that the 2019 IRS Data Book shows that the audit rate for taxpayers with income greater than $10 million exceeded 8 percent, compared to an audit rate of 1.12 percent for EITC claimants. Rettig said he and his staff were willing to meet with Whitehouse and other interested Finance Committee members to discuss the information in the data book.

Advance child tax credit payments

Some senior Republicans on the panel addressed the Service’s capacity to implement expansions to the child tax credit that were enacted in the American Rescue Plan Act of 2021 (P.L. 117-2), the $1.9 trillion economic relief package that President Biden signed into law last month.

Most notably, the IRS is responsible for implementing a provision in the new law that makes the child tax credit available to taxpayers in advance “periodic” payments beginning on July 1 and continuing through the rest of 2021. That provision also requires the Service to launch a new online portal that will allow taxpayers to opt out of receiving advance payments and to provide information regarding changes in income, marital status, and number of qualifying children for purposes of determining each taxpayer’s maximum eligible credit.

Rettig told the panel that the IRS currently is on track to launch the portal and begin implementing the advance payment program by the statutory deadline.

In an exchange with Sen. Charles Grassley, R-Iowa, Rettig said that the advance payment program has required an investment of $391 million and between 300 and 500 IRS employees will be involved in its operation.

Grassley asked about the potential for fraud and improper payments under the new program. Rettig replied that there is “definitely a risk,” although it could not be quantified. He said that the Service intends to employ deterrence measures to avert potential fraud and pursue enforcement measures to address any actual detected fraud. (He also stated at several points during the hearing that the bulk of improper child tax credit and earned income tax credit claims is attributable to unscrupulous tax return preparers and that Congress could address this problem by allowing the IRS to regulate paid return preparers.)

Finance Committee ranking member Mike Crapo, R-Idaho, expressed concern that the portal may be of limited use to individuals in low-income and rural communities with poor internet access. Rettig replied that these taxpayers would be able to inform the IRS of any status changes that affect their eligibility for the credit (or the amount of credit they’re entitled to receive) by submitting a form in the mail or by visiting an IRS office.

— Michael DeHoff
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Brady won’t seek re-election in 2022

With his time as the top Republican on the House Ways and Means Committee drawing to a close, Rep. Kevin Brady of Texas announced April 14 that he will retire from Congress at the end of his current term. His decision officially sets off a race among the panel’s senior GOP members to take his spot atop the dais beginning in 2023, when Republicans hope to regain the House majority.
“In the end, I’ll leave Congress the way I entered it, with the absolute belief that we are a remarkable nation: the greatest in history,” Brady said in his announcement.

Brady was first elected to Congress in 1996, joined the Ways and Means Committee in 2001, and took the gavel in 2015 when his predecessor, Rep. Paul Ryan of Wisconsin, became House speaker. He led the panel during his party’s work on the most significant tax legislation of the past several decades, 2017’s Tax Cuts and Jobs Act. In announcing his retirement, he noted that GOP rules limiting committee leaders to six years played a role in his decision, since he would not be able to chair the taxwriting panel “in the next session when Republicans win back the majority.” (House Democrats currently hold a six-seat majority in the chamber and because the president’s party historically has lost seats in the first midterm election of a new administration, the GOP is optimistic about its ability to pick up the necessary seats to reclaim control in 2022.)

But Brady also said that term limits for committee leaders are “a good thing,” noting that they “ensure lawmakers who work hard and who work effectively someday have the opportunity to lead, to bring fresh, new ideas to every committee we have.”

Current Ways and Means Chairman Richard Neal, D-Mass., called Brady’s decision “a loss for both the Ways and Means Committee and Congress.”

“Our working relationship has always been predicated on doing our best for this country we both love so dearly, and I respect his commitment to the people of Texas’s 8th Congressional District,” Neal said. “From the Family First Prevention Services Act to the SECURE Act, Ranking Member Brady and I have been able to overcome ideological differences time and time again to partner on behalf of the American people.”

Brady’s departure from the top Republican spot on Ways and Means will open up one of the most coveted positions in Congress. The next most senior GOP member of the panel is Rep. Devin Nunes of California, who currently serves as the ranking member of the House Intelligence Committee. (Although in terms of seniority he was next in line for the top spot on Ways and Means when Paul Ryan became speaker in 2015, he stayed on as Intelligence Committee chairman at Ryan’s behest.) Next in the GOP seniority chain is Rep. Vern Buchanan of Florida, who reportedly is “aggressively pursuing” the chairmanship with members of the Republican Steering Committee that make leadership recommendations, followed by Reps. Adrian Smith of Nebraska, Mike Kelly of Pennsylvania, and Jason Smith of Missouri. (Rep. Tom Reed of New York, another of the panel’s senior members, has already announced he will not run for re-election next year.)

— Storme Sixeas
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