

## House and Senate Republicans Strike Deal on Tax Bill



**Summary:** *The House and Senate GOP are working quickly to get a combined tax bill through both groups before the end of the year.*

Two GOP aides claim that House and Senate Republicans have reached a deal on the tax bill. If the deal is true and sticks, it will be a big step in ensuring the GOP can deliver an overhaul of the US tax system before the end of the year.

According to the aides, the deal mixes the House and Senate tax deals, likely putting the bill on the path to be voted on next week. There are still a few things to straighten out but the Senate Republicans discussed those things during the conference-wide lunch today.

Lawmakers have been struggling for the past two weeks or so to figure out a way to combine the two tax bills, which were very different bills. As of now, it appears that the corporate tax will be dropped from 35 percent to 21 percent, slightly up from the 20 percent lawmakers were hoping for. The corporate alternative minimum tax is on the table to be fully repealed. The Senate bill was only preserving the tax because of a Senate rule requiring the tax bill to only add a specific amount of debt to the deficit.

The bill is also expected to repeal the individual mandate of the Affordable Care Act that requires individuals to have health insurance and repeal the cap on mortgage interest deduction at \$750,000. With a request from House Republicans and support from President Donald Trump, the top tax rate is expected to be dropped to 37 percent in the final bill.

Senate Minority Leader Chuck Schumer had called for Republicans to wait on the bill until Alabama's newly-elected Senator Doug Jones, a Democrat, was seated in January. Just hours later, Republicans were announcing they were reaching agreements on the bill. This did not sit well with Democrats. They repeatedly called out during the public session to call the deal a "farce" and "scam."

The House-Senate Conference Committee met to finalize the merged tax bill. Oregon Democratic Sen. Ron Wyden said of the conference, "Nobody should mistake this conference for a serious debate – not when Republicans and special-interest lobbyists have already wrapped up the real talks in secret. What's happening today is a sham."

South Dakota Republican John Thune countered their cries stating that there have been over 70 hearings on the tax issue in the past years. He said, "A lot of these are Democrats' ideas and Republicans' ideas so anyone who suggests this hasn't been regular order process is just missing the facts."

Republicans are hopeful that they are going to pass the most comprehensible tax reform plan in thirty years. As Texas GOP Rep. Kevin Brady said, "We'll continue to consider the best ideas of the House and Senate ... We rejected simply tweaking a few provisions of America's monstrous tax code. Instead we put it all on the table." Brady is the chairman of the tax-writing House Ways and Means Committee.

President Trump said of the conference results, "We are very close to a legislative victory. We are very, very close. ... For me this is very simple: This is about middle-class tax cuts and jobs."

Do you think the proposed changes to the tax bill will be a big mistake for taxpayers? Share your thoughts on the proposal with us in the comments below.

**To learn more about the issues with the tax bill, read these articles:**

- [7 Tax Laws That Should Be Changed in 2017](#)
- [Senate Republicans Kill Health Care Bill](#)
- [House Passes Tax Bill Full of Pros and Cons](#)