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Is the Menu Now Set? Joint Committee on Taxation Releases Report on Ways and Means Working Group Process

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On Monday, May 6, the Joint Committee on Taxation (“JCT”) published a report on the work of the 11 House Ways and Means Committee Working Groups on tax reform.¹ This alert provides background on the report and possible next steps for tax reform.

Background

In February, House Ways and Means Committee Chairman Dave Camp (R-MI) and Ranking Member Sander Levin (D-MI) announced the formation of 11 bipartisan Working Groups dedicated to tackling different substantive areas of the Tax Code.² As part of this effort, stakeholders were asked to provide input by identifying key tax reform priorities and submitting comments on tax reform proposals. Individuals and various industry and interest groups submitted over a thousand comments to the Working Groups.³

The JCT’s report is a “laundry list” and describes current law in each of the Working Groups’ substantive areas and summarizes the stakeholder input and other information gathered by the Working Groups. Notably, the summaries of the comments received by the Working Groups only make up a small portion of the JCT report. Further, although the JCT report does not make recommendations, it does contain a menu of substantive options and proposals for tax reform. In so doing, the report adds momentum to tax reform by identifying areas for reform and serving as a “launching pad” for additional tax reform discussion.

Next Steps: Where does Tax Reform Go From Here?

The Chair and Vice-Chair of each Working Group will be making presentations to the full House Ways and Means Committee on their respective Working Group’s findings. The Committee is also expected to receive reaction and feedback on the JCT report from Ways and Means Committee Members, as well as from Members outside of the committee.

The looming question remains whether, and when, Chairman Camp will release and mark up a draft comprehensive tax reform bill. The decision by Senate Finance Committee Chairman Max Baucus (D-MT) to retire from the Senate may also have increased the prospects of comprehensive tax reform occurring this Congress. As a result, the Ways and Means Committee may be redoubling its efforts to release and mark up a bill in the near term. Timing may also be dependent on whether tax reform is discussed in the context of raising the debt ceiling or as a stand-alone measure.

The JCT report has armed the Ways & Means Committee with powerful information from stakeholders across the country. This information will be critical to the Committee as it moves forward on tax reform. Further, with a range of proposals now on the table, the pace of tax reform could dramatically increase before the August recess. Stakeholders are strongly encouraged to engage

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in the tax reform debate as soon as possible to stand out from the crowd before the Ways and Means Committee's priorities for comprehensive tax reform take shape.

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¹ The report is available at the following link:

https://www.ict.gov/publications.html?func=download&id=4517&chk=4517&no_html=1

² Please see our previous [alert](#) for a description of the tax reform working groups and their operations.

³ Comments received by the House Ways and Means Committee are available at the following link: <http://waysandmeans.house.gov/taxreform/workinggroups.htm>