

As US lawmakers continue their efforts to reach an agreement on comprehensive tax reform during the 114th Congress, it has become increasingly evident that achieving such reform will be challenging at best. While the House Ways and Means Committee has so far participated in a series of markups to make permanent certain so-called “tax extenders,” the Senate Finance Committee has taken a different approach, having decided to address tax extenders at a later date. Instead, the Finance Committee has held a series of hearings to think about tax reform in terms of the seven principles that Chairman Orrin Hatch (R-UT) believes should drive the Committee’s efforts, including: (1) economic growth; (2) fairness; (3) simplicity; (4) permanence; (5) American competitiveness; (6) promoting savings and investment; and (7) revenue neutrality.

As part of the Committee’s efforts on tax reform, Chairman Hatch and Ranking Member Ron Wyden (D-OR) have formed five bipartisan Tax Reform Working Groups “to spur congressional comprehensive tax reform efforts in the 114th Congress,” including groups focused on: (1) individual income tax; (2) business income tax; (3) savings and investment; (4) international tax; and (5) community development and infrastructure. The goal for these Working Groups is to submit targeted policy proposals on tax reform to the full Committee by May of this year.

Much like the Ways and Means Committee did in 2013 during the last debate over tax reform, the Senate Finance Committee has announced a bipartisan effort to begin soliciting ideas from interested members of the public and key stakeholders “on how to best overhaul the nation’s broken tax code to make it simpler, fairer, and more efficient.” According to Chairman Hatch and Ranking Member Wyden, the goal is to provide additional input, data, and information to the Working Groups to better enable them to accomplish the “arduous task of putting forth substantive ideas.” “By opening up our bipartisan working groups to public input, we hope to gain a greater understanding of how tax policy affects individuals, businesses, and civic groups across our nation,” noted Chairman Hatch and Ranking Member Wyden. Comments are due by April 15 and will eventually be made public on the Committee’s website.

This opportunity provides the public and interested stakeholders with a unique opportunity to engage with lawmakers, who are themselves eager for industry feedback. Conventional wisdom suggests that even if lawmakers are unable to come to an agreement on comprehensive tax reform, the efforts during this Congress might result in targeted changes to the tax law in this session and likely will – at a minimum – serve as place markers as the tax reform debate continues in the next Congress. Indeed, at a recent Senate Finance Committee hearing, Senator Sherrod Brown (D-OH), recognizing the difficult path ahead for comprehensive tax reform, urged the Committee to abandon its quest for comprehensive tax reform in favor of achieving more targeted reforms and suggested that the Working Groups provide just the focused atmosphere that lawmakers need to move forward with targeted reforms.

With the comment deadline less than a month away, parties with an interest in particular aspects of tax reform should leverage this opportunity to ensure that lawmakers are provided with a full understanding of such issues and their potential impact. Our Tax Public Policy [Group](#) stands ready to assist stakeholders in drafting their comments and welcomes any questions on the process.

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