Outlook for Tax Legislation in the Year Ahead

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Topics to Cover

- Divided Government
- Prospects for legislation in 2019
- Impact of the 2017 tax legislation
Divided Government

- Self created deadlines
- Uncertain resolution
- Stalemate plus standstill
Extenders

- Last extension was for 2017 tax year – examples of 2017 and 2018 expired provisions
  - Income exclusion for mortgage debt forgiveness
  - Qualified tuition deduction
  - Energy tax incentives

- Extension for 2018 is still possible, but would require amended returns

- Outlook for extenders?
• Bipartisan

• Key Provisions
  • Establishing independent office of appeals
  • Codification of low income tax preparation
  • Cybersecurity and identity protections

• Outlook?
Retirement Enhancement and Savings Act (RESA)

- Bipartisan

- Key Provisions
  - Open MEPs
  - Safe harbor to encourage annuity distribution options in 401(k) plans
  - Tax deductible IRA contributions for seniors working past 70 1/2
Bipartisan Cooperation

- New chairman
- Infrastructure – Move America Bonds
- Oversight
Other Wyden Priorities

- Tale of Two Tax Codes: Middle class is left behind
  - Modernization of Derivatives Act (MODA)
  - Wealth transfer tax loophole closers
• Partisan legislation

• Deficits

• Compounds inequities of the existing tax code

• Poor drafting/unworkable policies

• Outlook for technical and other modifications?