

TAX REFORM IS ON DECK: CHAIRMAN HATCH SEEKS COMMENTS AS SENATE HEADS FOR HOME ON HEALTH CARE

Date: 28 June 2017

Public Policy and Law Alert

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In a recently released letter, Senate Finance Committee Chairman Orrin Hatch (R-UT) has invited stakeholders to offer input on ways to improve the U.S. tax system, saying that "it is essential that Congress has the best possible advice and insight from experts and stakeholders" as it develops legislation. Comments are due by July 17, and will be treated as confidential. This is an important opportunity for stakeholders to engage in the tax reform process.

While Chairman Hatch is seeking comments on all areas of tax policy, he has identified four key areas for specific input:

1. *Updating our international tax system in order to make our nation more competitive in the global economy and preserve our tax base.*
2. *Strengthening businesses – both large and small – by lowering tax rates and broadening the relevant tax base in order to put the economy on a better growth path and create jobs.*
3. *Removing impediments and disincentives for savings and investment that exist in the current tax system.*
4. *Providing much-needed tax relief to middle-class individuals and families through reforms to the individual income tax system.*

Chairman Hatch's letter also encourages stakeholders to take a "big picture," realistic view of tax reform. Specifically, it says that stakeholders should "manage expectations and remain willing to compromise on ideal policy preferences" and "keep in mind the fiscal, economic, and procedural constraints inherent in this exercise." These comments suggest that stakeholder responses that "just say no" to particular policy proposals without taking into account the give and take of tax reform or offering constructive arguments or alternative approaches likely will not be given much consideration by the Committee.

Astute observers will note that this is not the first time that congressional tax-writers have solicited stakeholder input on tax reform. In recent years, both the Senate Finance Committee and House Ways and Means Committee have sought such feedback as they have convened working groups to study various aspects of tax reform. Despite previous chances to provide input, this is an excellent opportunity to re-engage in the process with updated comments addressing recent tax reform plans and ideas that were not in play previously, including the House Republican blueprint, the Trump tax plan and Chairman Hatch's own corporate integration approach to

taxes. You never know which effort, which initiative, which policy, is going to be a home run. Don't be caught off base.

The K&L Gates tax and public policy and law teams are available to assist clients in evaluating their tax policy priorities and responding to the request for input.

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