

December 2017 Monthly Washington, D.C. Report



To: Steve Heminger, Executive Director

From: Tom Bulger, President GRI

Date: December 27, 2017

RE: Monthly Report for December 2017

Season's Greetings to readers of my Monthly Report.

- **Tax Bill Approved**
- **Continuing Resolution Extended**
- **Coming and Going**
- **Congressional Reception**

Tax Bill Approved

The biggest take away of the month was Congressional approval of H.R.1, the Tax Cut and Jobs Act. Final House approval came on December 20, 2017 by a vote of 224 to 201. The President signed the bill shortly thereafter.

Key municipal priorities in the legislation include:

State and Local Tax Deduction: Taxpayers will no longer be able to deduct the full amount of their state and local taxes as under current law. Taxpayers will still be able to deduct state and local property and income or sales taxes at a combined cap of \$10,000/year.

Private Activity Bonds: Private Activity Bonds primarily used to finance low-income housing, infrastructure, etc. were retained in the final bill.

Advance Refunding Bonds: Advance refunding bonds were eliminated in the final bill.

Tax Credit Bonds: Tax Credit Bonds were repealed in the final bill. These bonds were used for government programs, such as energy, school construction, etc.

New Markets Tax Credits: New Market Tax Credits used to spur growth in economically depressed neighborhoods were retained in the final bill.

Tax-Exempt Municipal Bonds: The final bill in general makes no changes to tax-exempt municipal bonds used by state and local governments.

Low-Income Housing Tax Credit: The final bill continues the Low-Income Housing Tax Credits for affordable rental housing units for low-income workers.

Qualified Transportation Fringe Benefit: The \$20/month bike benefit was eliminated. In addition, the bill eliminated the ability of businesses to deduct the cost of providing direct subsidies to employees to offset their commuting costs in the form of transit passes, parking, shuttle service, etc.

Work Opportunity Tax Credit: The Work Opportunity Tax Credit which is an incentive to hire individuals from target groups who face barriers to employment, was retained.

Continuing Resolution Extended

With less than 12 hours to spare, on December 22, 2017 the President signed a four-week government spending bill extension to January 19, 2018. Unfortunately, the disaster relief package was left out of the extension.

Coming and Going

As previously reported, Paul Trombino III has withdrawn his name from consideration as the next Administrator of the Federal Highway Administrator. He cited family reasons for removing his name from the nominations.

Congressional Reception

Planning continued throughout December for the 2018 Congressional Reception with our Southern California partners and our Public Relations firm.