



TaxNewsFlash

United States

No. 2017-468
October 26, 2017

Tax reform bill release November 1, House passes budget resolution

U.S. House Ways and Means Chairman Kevin Brady (R-TX) today announced that the House Republican tax reform bill will be unveiled on November 1, 2017, and the committee will begin acting on the bill on November 6, 2017. The November 1 release will be the long-awaited first look at the House bill by the public.

Chairman Brady's [announcement](#) followed today's approval by the U.S. House of Representatives of the FY18 budget resolution by a vote of 216 to 212. This approval was a major step forward in the progression of the tax reform process.

By approving the same version of the budget that was passed by the Senate on October 19, 2017 (read [TaxNewsFlash](#)), the path for processing tax reform has potentially been accelerated by days or even weeks.

The budget that was approved today by the House and previously by the Senate will allow Congress to use the budget reconciliation process for a tax reform bill. Use of reconciliation will allow the Senate to potentially avoid a filibuster and, thus, be able to pass a tax reform bill with only a simple majority of 51 votes (a minimum of 50 senators, plus a potential tie breaking vote by Vice President Mike Pence). This is a more attainable goal for the 52 Senate Republicans than achieving the 60 votes needed to overcome a potential filibuster.

The budget that was passed by the House and Senate allows Congress to pass a tax bill that could contain a net tax cut of up to \$1.5 trillion (over a 10-year window). However, it is important to keep in mind that in order to maintain the filibuster protection afforded by the reconciliation rules, the tax bill will be required to comply with a number of very complex procedural requirements that are required by the rules governing the consideration of reconciliation legislation.

KPMG observation

Today was a very significant day in the tax reform process but it is important to keep in mind that a long road still lays ahead. With the announcement by Chairman Brady of a schedule for Ways and Means Committee action, a very aggressive timeframe has been set forth in the House. If the Senate pursues an equally aggressive schedule, it is possible that a year-end deadline for tax reform could be met. However, a hiccup at any of the many necessary process steps along the way could cause a cascading effect that could doom the legislation or, at minimum, extend the process into early 2018.

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)