AMERICAN BAR ASSOCIATION
Section of Taxation
Tax Policy & Simplification Committee
Jan. 20, 2016, Orlando, Fla.
Parameters for Tax Reform in the New Year

Co-sponsor
Young Lawyers Forum (YLF)
Shawn McIntire, Chair
Ballard Spahr, Denver, Colo.
Morgan Klinzing, Principal Author
Pepper Hamilton, Philadelphia, Penn.

BACKGROUND PAPER

By the Committee
Eric San Juan, Chair
Georgetown Univ. Law Ctr. Washington, DC
Michael Lang, Vice Chair
Chapman Univ. Fowler School of Law, Orange, Calif.
Roger Royse, Vice Chair
Royse Law Firm, Palo Alto, Calif.
Robert Mann, Council Director
Univ. of Oregon – Eugene

PROGRAM
9:30 – 10:30 a.m.
This panel will be introduced by a special presentation of recent developments by YLF focusing on tax reform proposals in the House of Representatives and Senate Finance Committee. Then panelists with experience in government, academia, and private practice will comment on potential tax policy approaches by the new Congress and Administration.

Panelists:

- Prof. Charlene Luke, Univ. of Fla.—Gainesville
- Morgan Klinzing, Pepper Hamilton, Philadelphia, Penn.
- Gregory Jenner, Stoel Rives, Washington, DC
- Charles Egerton, Dean Mead, Orlando, Fla. [invited]
- Prof. William Blatt, Univ. of Miami, Fla. [invited]

PLANS FOR PENDING TAX REFORM

I. INTRODUCTION

This paper summarizes the major tax proposals pending from the House of Representatives, the Senate Finance Committee, the President-elect, the outgoing Administration, and others. The paper identifies principles of tax policy on which the proposals may converge or diverge.

On June 24, 2016, the Tax Reform Task Force, a group created by Speaker Paul Ryan (R-Wisc.), released a paper detailing the House Republicans' plan for a comprehensive overhaul of the current tax system (the "Ryan Plan").[1] The stated policies of the Ryan Plan are to broaden the base, lower the rates, and move toward a consumption-based tax system.[2] Additionally, President-elect Donald Trump has proposed an overhaul of the current tax system (the "Trump Plan"),[3] which aims to lower rates and introduce simplification.

In December 2014, Senator Orrin Hatch (R-Utah), then ranking member of the Senate Committee on Finance, issued a paper proposing comprehensive tax reform (the "Hatch Plan").[4] The Hatch Plan, which also aims to broaden the base and lower tax rates, focuses on seven principles: efficiency and economic growth; fairness; simplicity; revenue neutrality; permanence; competitiveness; and

---

[1] *A Better Way: Our Vision for a Confident America – Tax* (June 24, 2016), http://abetterway.speaker.gov/_assets/pdf/ABetterWay-Tax-PolicyPaper.pdf (hereinafter *A Better Way*).

[2] *See A Better Way*, pg. 32.

[3] The Trump Plan is described on his campaign website at https://www.donaldjtrump.com/policies/tax-plan/ and https://www.donaldjtrump.com/press-releases/fact-sheet-donald-j.-trumps-pro-growth-economic-policy-will-create-25-milli, and in two speeches, "An America First Economic Plan: Winning the Global Competition," at the Detroit Economic Club (Aug. 8, 2016), https://www.donaldjtrump.com/press-releases/an-america-first-economic-plan-winning-the-global-competition, and "Speech on Jobs," at the New York Economic Club (Sept. 15, 2016), https://www.donaldjtrump.com/press-releases/trump-delivers-speech-on-jobs-at-new-york-economic-club.

[4] *Comprehensive Tax Reform for 2015 and Beyond* (Dec. 2014), http://www.finance.senate.gov/imo/media/doc/Comprehensive%20Tax%20Reform%20for%202015%20and%20Beyond5.pdf (hereinafter *Comprehensive Tax Reform*).

promotion of savings and investment.[5] Moreover, the Hatch Plan proposes to integrate the individual and corporate income taxes.[6]

The Urban-Brookings Tax Policy Center has estimated that over the first decade of implementation, especially of business tax cuts, the Ryan and Trump Plans would reduce Federal revenue by $3.1 and $6.2 trillion, respectively.[7] While the Hatch Plan does not set forth specific proposals susceptible of estimation, this Plan does not promise to preserve sizeable tax expenditures such as the deductions of home mortgage interest, charitable contributions, and State and local tax.

In general, base-broadening may reduce preferences, simplifying the tax code while paying for lower rates.[8] As a policy matter, some contend that a consumption tax could be regressive, and others argue that it would improve economic efficiency.[9]

II. PROVISIONS FOR INDIVIDUALS

The Ryan and Trump Plans include lower ordinary income tax rates for individuals and reduced complexity.[10] The Ryan Plan envisions a tax system so simple that the majority of individuals could file a return the size of a postcard.[11] The current and proposed ordinary income rates are tabulated below:

---

[5] *Comprehensive Tax Reform,* pg. 2, 37; *Hatch Statement at Finance Hearing on Fairness in Taxation* (Mar. 3, 2015), http://www.finance.senate.gov/imo/media/doc/030215%20RELEASE%20Hatch%20Statement%20at%20Finance%20Hearing%20on%20Fairness%20in%20Taxation.pdf; *Hatch Statement at Finance Hearing on Lessons from the Tax Reform Act of 1986* (Feb. 10, 2015), http://www.finance.senate.gov/imo/media/doc/021015%20RELEASE%20Hatch%20Statement%20on%20Tax%20Reform.pdf.

[6] *Comprehensive Tax Reform,* pg. 123 *ff.*

[7] Jim Nunns, Len Burman, Ben Page, Jeff Rohaly & Joe Rosenberg, *An Analysis of the House GOP Tax Plan*, Urban-Brookings Inst. Tax Pol'y Ctr. (Sept. 16, 2016) pg. 2, http://www.taxpolicycenter.org/sites/default/files/alfresco/publication-pdfs/2000923-An-Analysis-of-the-House-GOP-Tax-Plan.pdf; *An Analysis of Donald Trump's Revised Tax Plan*, Urban-Brookings Inst. Tax Pol'y Ctr. (Oct. 18, 2016) pg. 5, http://www.taxpolicycenter.org/sites/default/files/alfresco/publication-pdfs/2000924-an-analysis-of-donald-trumps-revised-tax-plan.pdf.

[8] *See* Molly F. Sherlock & Mark P. Keightley, *Tax Reform in the 114th Congress: An Overview of Proposals*, Cong. Res. Serv. (Mar. 18, 2016) R43060 (hereinafter "CRS") pg. 2.

[9] *See id.* pg. 10.

[10] *See A Better Way* pg. 16-17; Trump Plan.

[11] *See A Better Way*, pg. 16-17.

Tax Rates for Married Filing Jointly	**2016 Tax Rates**	**Ryan Plan**[12]	**Trump Plan**[13]
Up to $18,450	10%	12%[14]	12% (up to $75,000)
$18,451 to $74,900	15%		
$74,901 to $151,200	25%	25%	25% ($75,000 to $225,000)
$151,201 to $230,450	28%		
$230,451 to $411,500	33%	33%	33% (above $225,000)
$411,501 to $464,850	35%		
$464,851 or more	39.6%		

Similarly, bills introduced in the 114th Congress would reduce the number of brackets. In particular, the Flat Tax Act and the Simplified, Manageable, and Responsible Tax (SMART) Act would reduce the rates to 19 or 17%.[15] These bills focus on earnings rather than capital income, orienting the tax base toward consumption. In the vein of simplification, the Ryan, Trump, and Hatch Plans propose to repeal the alternative minimum tax (AMT).[16]

The Hatch Plan proposes lowering tax rates but does not specify those lower rates.[17] It also discusses the possibility of moving to a consumption-based tax.[18] Because consumption taxes are regressive,[19] the Hatch Plan proposes to couple a consumption tax with "some mechanism" to alleviate the regressive nature.[20]

While the both the Ryan and Trump Plans propose maintaining the current rates on capital gains, the Ryan Plan also provides for a 50% deduction of an individual's net capital gains, dividends, and interest income.[21] This deduction results in an effective rate of 6, 12.5, or 16.5% on capital income under the Ryan

[12] *A Better Way*, pg. 17.

[13] Trump Plan.

[14] Due to the expanded Ryan Plan standard deduction, there is a larger 0% tax bracket. According to the Ryan Plan, those currently taxed at 10% will always pay lower taxes than under the current system. *A Better Way*, pg. 17.

[15] H.R. 1040; H.R. 1824/S.929.

[16] *A Better Way*, pg. 17; Trump Plan; *Comprehensive Tax Reform*, pg. 106.

[17] *Comprehensive Tax Reform,* pg. 38.

[18] *Id.* pg. 47.

[19] These taxes are regressive as lower-income individuals spend a larger percentage of their income on consumption as compared to higher-income individuals.

[20] *Comprehensive Tax Reform*, pg. 52.

[21] *A Better Way*, pg. 18; Trump Plan.

Plan, depending on the individual's tax bracket.[22] In effect, this provision doubles the number of rates otherwise simplified under the Ryan Plan.

As for the net investment income tax (sometimes referred to as the "Obamacare tax"), both the Ryan and Trump Plans explicitly state that the 3.8% tax will be repealed.[23] Additionally, the Trump Plan proposes to tax carried interest as ordinary income.[24] The Ryan and Hatch Plans do not specifically address the taxation of carried interest.

To simplify family deductions and credits, the Ryan Plan consolidates the basic standard deduction, the additional standard deduction, the personal exemption, the deduction for children and dependents, and the child tax credit into two benefits – a larger standard deduction and an enhanced child and dependent tax credit.[25] The Trump Plan also calls for simplification of the standard deduction and personal exemption, with enhanced childcare tax benefits.[26]

The new larger standard deduction under the Ryan Plan will be $12,000 for individuals, $18,000 for single individuals with a child, and $24,000 for married individuals filing jointly; and under the Trump Plan, $15,000 for single individuals and $30,000 for married individuals filing jointly.[27] The Trump Plan also proposes to eliminate the personal exemption and head of household filing status.[28]

The Ryan Plan proposes an enhanced child tax credit of $1,500, of which $1,000 is refundable, and a dependent tax credit of $500, which is not refundable.[29] These credits will phase out for individuals earning over $75,000 or joint filers earning over $150,000, eliminating the current marriage penalty where the credit is phased out for joint filers earning over $110,000.[30] The simplification of these family deductions and credits is expected to reduce the percent of taxpayers who itemize from approximately 33% under current law to 5% under the Ryan Plan.[31]

In contrast, the Trump Plan nominally eliminates the child and dependent tax credit, but provides a "spending rebate" for child care expenses of up to $1,200

---

[22] *A Better Way*, pg. 18.

[23] *A Better Way*, pg. 16; Trump Plan.

[25] *A Better Way*, pg. 18.

[25] *A Better Way*, pg. 18.

[26] Trump Plan.

[27] *A Better Way*, pg. 19; Trump Plan. The current law provides a standard deduction of $6,300 for individuals, $9,300 for heads of households, and $12,600 for married individuals filing jointly. An additional standard deduction of $1,250 is allowed for an individual who is elderly or blind.

[28] Trump Plan.

[29] *A Better Way*, pg. 19. The current law provides a $1,000 credit for each qualifying child, which is refundable up to 15% of earned income over $3,000. The credit is phased out for individuals earning over $75,000 or joint filers earning over $110,000.

[30] *A Better Way*, pg. 19.

[31] *A Better Way*, pg. 19.

for lower-income families which is attached to the earned income tax credit.[32] In addition, the Trump Plan provides a child care deduction for children up to 13 years old, phased out for individuals earning over $250,000 or joint filers earning over $500,000.[33]

The outgoing Administration proposed to reform the child and dependent care tax credit, expand the earned income tax credit for workers without children, and target the education credits and deductions.[34] Presumably, focusing tax preferences would reflect a principle of horizontal equity.[35]

The Hatch Plan proposes simplification of current deductions.[36] While not coming to any specific conclusions, the Hatch Plan discusses options to reform or repeal the home mortgage interest deduction, the deduction for state and local taxes, and the charitable contribution deduction.[37] In other words, the Hatch Plan focuses on the big tax expenditures for individual taxpayers.

Other provisions of the Ryan Plan applicable to individuals include:

- Maintaining the earned income tax credit, while reducing fraud and erroneous overpayments and increasing incentives to work;[38]
- Consolidating the current tax benefits for education;[39]
- Eliminating all itemized deductions, except the mortgage interest deduction and the charitable contribution deduction;[40]
- Continuing and consolidating current incentives for savings, such as Individual Retirement Accounts (IRAs);[41] and
- Repealing the estate tax and generation-skipping transfer taxes.[42]

---

[32] Trump Plan.

[33] Trump Plan.

[34] *See* Dep't of the Treas. *Gen. Explanations of the Admin's FY 2017 Revenue Proposals* (Feb. 2016) https://www.treasury.gov/resource-center/tax-policy/Documents/General-Explanations-FY2017.pdf (hereinafter "GreenBook") pg. 126-49.

[35] *See* CRS, pg. 5.

[36] *Comprehensive Tax Reform*, pg. 95-100.

[37] *Id.*

[38] *A Better Way*, pg. 20. The Ryan Plan does not provide details regarding these changes and enhancements to the earned income tax credit.

[39] *A Better Way*, pg. 20. The Ryan Plan does not provide details regarding the simplification of the current system of over a dozen different tax benefits for education.

[40] *A Better Way*, pg. 20-22.

[41] *A Better Way*, pg. 22. The Ryan Plan does not provide details regarding the consolidation and reform of current retirement savings provisions. However, the Ryan Plan does suggest the creation of more general savings accounts over which individuals have complete control and from which they can withdraw from at any time without penalty. Essentially, these accounts could create a consumption tax effect.

[42] *A Better Way*, pg. 23.

Other provisions of the Trump Plan applicable to individuals include:

- Capping itemized deductions at $100,000 for individuals and $200,000 for married individuals filing jointly;[43] and
- Repealing the estate tax, but disallowing a step-up in basis for estates over $10 million.[44]

Likewise, the Flat Tax and SMART Acts would repeal the estate and gift taxes.

III. PROVISIONS FOR BUSINESSES

The Ryan Plan for businesses moves toward a consumption-based tax with lower rates and other incentives to provide liquidity and create jobs.[45] Income from sole proprietorships and pass-through entities, such as partnerships and S corporations, is subject to a maximum rate of 25% under the Ryan Plan.[46]

According to commentators, the "8 percentage point differential between the top rate on pass-through business income and wages could create a strong incentive for many wage earners to form a pass-through entity that provides labor services to their current employer instead of taking compensation in the form on wages."[47] On that point, the Ryan Plan provides that a portion of pass-through income allocated to the owner-operators for "reasonable compensation" is subject to the graduated individual income tax rates and deductible by the entity.[48]

The Trump Plan also appears to provide a lower business income tax rate of 15% on pass-through entities, as it refers to the lower business tax rate applying to "all businesses, both small and large."[49] Due to the 18 percentage point differential between the rates on pass-through and wage income, commentators have assumed that eventually half of high-wage workers would deploy pass-through entities.[50] For C corporations, the tax on income is reduced from 35% to a maximum rate of 20% under the Ryan Plan and 15% under the Trump Plan.[51]

The Hatch Plan proposes a lower tax rate for businesses that will be approximately the same rate as the top rate for individuals, but does not state what that rate should be.[52] While discussing various approaches, the Hatch Plan proposes a single level of tax on corporate earnings, by providing for either a

---

43 Trump Plan.
44 *Id.*
45 *See A Better Way*, pg. 23-29.
46 *A Better Way*, pg. 23.
47 *An Analysis of the House GOP Tax Plan, supra* n. 9, pg. 5.
48 *A Better Way*, pg. 23.
49 Trump Plan.
50 *An Analysis of Donald Trump's Revised Tax Plan, supra* n. 9, pg. 5.
51 *A Better Way*, pg. 25; Trump Plan.
52 *Comprehensive Tax Reform*, pg. 126.

dividends paid deduction or dividend exclusion for the recipient.[53] This integration of the individual and corporate tax systems will eliminate distortions imposed by the tax code, such as incentives to invest in non-corporate entities, to finance a corporation with debt rather than equity,[54] and to retain capital or to structure distributions to avoid a second layer of tax.[55]

As a matter of tax policy, integration of individual and corporate taxes could be a major simplification to address the double taxation of corporate income as opposed to that of pass-through businesses. In particular, deduction of dividends paid could put equity and debt investments on equal footing, assuming interest remains deductible.[56]

The Hatch Plan also proposes integrating the treatment of pass-through entities. For example, the Hatch Plan notes that self-employment taxes should be harmonized for partnerships and S corporations.[57]

Both the Ryan Plan and the Trump Plan propose repealing the corporate AMT.[58] Similarly, the outgoing Administration proposed to reduce the corporate rate to 28% and repeal the corporate AMT.[59]

Under the Ryan Plan, net operating losses (NOLs) will no longer be carried back yet will be carried forward indefinitely.[60] The carryforward deduction will be

---

[53] *Comprehensive Tax Reform*, pg. 124-25; *Hatch Statement at Finance Hearing on Corporate Integration* (May 17, 2016), http://www.finance.senate.gov/imo/media/doc/051716%20Hatch%20Statement%20at%20SFC%20on%20Corporate%20Integration.pdf.

[54] *Hatch Statement at Finance Hearing on Corporate Integration* (May 24, 2016), http://www.finance.senate.gov/imo/media/doc/5.24.16%20Hatch%20Statement%20at%20Finance%20Hearing%20on%20Corporate%20Integration%20.pdf.

[55] *Comprehensive Tax Reform,* pg. 161; *Hatch Statement at Finance Hearing on Business Tax Reform* (Apr. 26, 2016), http://www.finance.senate.gov/imo/media/doc/4%2026%2016%20Hatch%20Statement%20at%20Finance%20Hearing%20on%20Business%20Tax%20Reform%20.pdf.

[56] *See generally* Jt. Comm. on Tax'n, *Overview of Approaches to Corporate Integration* (May 13, 2016) JCX-44-16, at pps. 19-26.

[57] *Comprehensive Tax Reform*, pg. 237. For example, a general partner generally is subject to self-employment tax on his or her share of partnership income, but a limited partner is not. In an S corporation, shareholders are not subject to self-employment tax on their share of the S corporation income.

[58] *A Better Way*, pg. 25; Trump Plan.

[59] White House & Dep't of the Treas. *The President's Framework for Business Tax Reform: An Update* (Apr. 2016) https://www.treasury.gov/resource-center/tax-policy/Documents/The-Presidents-Framework-for-Business-Tax-Reform-An-Update-04-04-2016.pdf (hereinafter *Pres. Framework)*, pg. 18.

[60] *A Better Way*, pg. 26.

subject to a limitation of 90% of the company's net taxable income without regard to the NOL.[61]

To encourage corporate growth, both the Ryan Plan and the Trump Plan propose eliminating most deductions and credits.[62] Both the Ryan Plan and Trump Plan propose maintaining the so-called research and development (R&D) credit in a similar form.[63]

For investments, the Ryan Plan and the Trump Plan provide a full and immediate write-off of the cost of investment in intangible and tangible property, excluding land.[64] Under the Ryan Plan, interest deductions will be allowed to offset current interest income, but not for any net interest expense.[65] Such net interest expense will be carried forward indefinitely.[66] Under the Trump Plan, interest expense will not be deductible if a company elects for full and immediate expensing of capital investments.[67]

The outgoing Administration proposed to allow small businesses $1 million of expensing and $20,000 of start-up costs.[68] The research credit would be increased from a 14 to 18% rate with a simplified formula and certain enhancements for pass-through businesses.[69] By contrast, the Hatch Plan proposes eliminating most corporate tax expenditures, except for the R&D credit.[70]

The Trump Plan's enhanced childcare support would affect businesses as well. The Trump Plan proposes to enhance the business tax credit for on-site childcare, increasing it from $150,000 to $500,000 and reducing recapture from ten years to five years.[71] The Trump Plan states: "Businesses that pay a portion of an employee's childcare expenses can exclude those contributions from income."[72]

In addition, the Ryan Plan will maintain the last-in-first-out (LIFO) method of accounting for inventory.[73] On the other hand, the outgoing Administration proposed to eliminate LIFO.[74]

---

[61] *A Better Way*, pg. 26.

[62] *See A Better Way*, pg. 25-27; Trump Plan

[63] *See A Better Way*, pg. 25-27; Trump Plan.

[64] *A Better Way*, pg. 25-26; Trump Plan.

[65] *A Better Way*, pg. 26.

[66] *A Better Way*, pg. 26.

[67] Trump Plan.

[68] *Pres. Framework*, pg. 27.

[69] *Pres. Framework*, pg. 21.

[70] *Comprehensive Tax Reform*, pg. 177-78.

[71] Trump Plan.

[72] "Employees who are recipients of direct employer subsidies would not be able to exclude those costs from the individual income tax and the costs of direct subsidies to employees could not be used as a cost eligible for the credit." Trump Plan.

[73] *A Better Way*, pg. 26.

To halt inversions, the Ryan Plan proposes to change to a destination-based tax system, imposing a "border adjustment" on international trade.[75] While similar to a value-added tax (VAT) that is utilized in many foreign countries, the border adjustment will subject imports to U.S. tax, while exports are exempt from U.S. tax.[76]

To encourage multinational companies to repatriate foreign earnings, the Ryan Plan proposes a reduced 8.75% tax on cash and cash equivalents and 3.5% tax on other property brought back to the U.S, with the resulting tax liability paid over an eight-year period.[77] Going forward, U.S. companies will receive a 100% exemption for dividends from foreign subsidiaries, allowing foreign earnings to flow back to the U.S.[78] Due to this destination-based, territorial approach, the Subpart F rules will be "significantly streamlined and simplified."[79]

While the Trump Plan does not include as much detail on international tax policy, it does provide for deemed repatriation of corporate profits held offshore at a one-time tax rate of 10%.[80] Particularly, President-elect Trump has suggested a "retribution" tariff for companies that move jobs from the U.S.[81]

As does the Ryan Plan, the Hatch Plan proposes a territorial tax system, as opposed to taxing U.S. companies on their world-wide income.[82] Implementing this territorial system would require a deemed repatriation of earnings accumulated under the world-wide taxation system.[83] However, the Hatch Plan does not propose a rate for repatriated earnings.

The outgoing Administration proposed to impose a 19% minimum tax on foreign earnings, impose a one-time tax on unrepatriated earnings, and restrict deductions of excessive interest ("earning stripping").[84] Some commentators

---

[74] *Pres. Framework*, pg. 18.

[75] *A Better Way*, pg. 27.

[76] *A Better Way*, pg. 28.

[77] *A Better Way*, pg. 28.

[78] *A Better Way*, pg. 28.

[79] *A Better Way*, pg. 29. The Ryan Plan does not provide details regarding the simplification of the Subpart F regime.

[80] Trump Plan.

[81] Ylan Q. Mui, "Trump Warns of 'Retribution' for Companies that Offshore Jobs, Threatening 35 Percent Tariff," *Washington Post* (Dec. 4, 2016); available at https://www.washingtonpost.com/news/wonk/wp/2016/12/04/trump-warns-of-retribution-for-companies-that-offshore-jobs-threatening-35-percent-tariff/?utm_term=.9131499464a7.

[82] *Comprehensive Tax Reform*, pg. 252; *Hatch Statement at Finance Hearing on Building a Competitive U.S. International Tax System* (Mar. 17, 2015), http://www.finance.senate.gov/imo/media/doc/3.16.2015%20RELEASE%20Hatch%20Statement%20at%20Finance%20Hearing%20on%20Building%20a%20Competitive%20U.S.%20International%20Tax%20System.pdf.

[83] *Comprehensive Tax Reform*, pg. 255.

[84] *Pres. Framework*, pg. 24-25.

contend that a territorial approach would narrow the tax base, while others note that inclusion of foreign earnings could broaden the base.[85]

IV. ADMINISTRATIVE PROVISIONS FOR THE IRS

The Ryan Plan proposes to re-structure the IRS into three divisions, for families and individuals, businesses, and a "small claims court" division – with an emphasis on "Service First."[86] To focus on Service First, the IRS will be held accountable to a Taxpayer Bill of Rights, which provides taxpayers the rights to: be informed; quality service; pay no more than the correct amount of tax; challenge the position of the IRS and be heard; appeal a decision of the IRS in an independent forum; finality; privacy; confidentiality; retain representation; and a fair and just tax system. The IRS will be headed by an Administrator, who is subject to a three-year term and may serve a maximum of two terms.[87]

V. CONCLUSION

Despite differences in details, the Ryan, Trump, and Hatch Plans address simplification, base-broadening, and lower tax rates. Significantly, the Ryan and Trump Plans would effectuate major tax cuts, especially on pass-through income, while subsuming some itemized deductions under a larger standard deduction. The Hatch Plan would integrate corporate and individual taxes, while potentially repealing or limiting long-standing tax expenditures. The policy-makers will need to work together to enact legislation that accomplishes the various goals of tax reform.

---

[85] *See* CRS, pg. 3.
[86] *A Better Way*, pg. 29.
[87] *A Better Way*, pg. 30.