

# ***Joint Tax Committee staff issues report on Ways and Means tax reform working groups***

*May 6, 2013*

## ***In brief***

The Joint Committee on Taxation (JCT) staff today issued a 568-page [report](#) on “Present Law and Suggestions for Reform Submitted to the Tax Reform Working Groups” of the House Ways and Means Committee.

Ways and Means Chairman Dave Camp (R-MI) and Ranking Member Sander Levin (D-MI) on February 13, 2013 established 11 bipartisan working groups to review current law in specified issue areas and then “identify, research, and compile feedback” related to the topics of each working group.

In a joint statement, Chairman Camp and Rep. Levin today commented that “this document provides an important and comprehensive overview of the tax code, an overview of some of the most commonly referenced previous tax reform proposals and summarizes the views of more than 1,300 submissions offered to the Ways and Means Committee by key stakeholders.” Chairman Camp and Rep. Levin said that “the Committee will dig into its details over the coming weeks.”

## ***In detail***

The working groups were directed to seek feedback on tax reform from stakeholders, academics and think tanks, practitioners, the general public, and colleagues in the House of Representatives.

The 11 working groups focused on the following issue areas:

- Charitable/Exempt Organizations;
- Income and Tax Distribution;

- Small Business/Pass Throughs;
- Debt, Equity and Capital;
- International;
- Education and Family Benefits;
- Manufacturing;
- Energy;
- Pensions/Retirement;
- Financial Services; and
- Real Estate.

As part of this process, the working groups held meetings

with interested parties. The Ways and Means tax reform working groups were not directed to issue their own recommendations for reform or prepare draft reform legislation.

More than 1,300 public comments were submitted in writing to the working groups through April 15, and have been posted on the Ways and Means Committee website.

The JCT staff was directed to issue a report summarizing current law and the findings of the working groups.

The JCT staff also was asked by Chairman Camp and Rep. Levin to summarize a selection of proposals to reform the federal tax system that Members of Congress, commissions, and others have presented to policymakers over the past several years.

Previous reform proposals summarized by the JCT staff include the report of the 2010 National Commission on Fiscal Responsibility and Reform and the 2005 report of President Bush's Advisory Panel on Tax Reform.

Finally, the JCT report summarizes the public comments received by the working groups but does not reference by name specific groups or individuals who submitted comments.

### ***Ongoing tax reform deliberations***

The House Ways and Means Committee has been continuing its consideration of tax reform issues since hearings first began in 2011. Chairman Camp previously released a discussion draft on international tax issues in October 2011, and this year has released separate tax reform discussion drafts on financial products and small business/passthroughs.

Separately, Senate Finance Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) in March outlined plans for the committee to analyze tax reform options. Finance Committee members have since been holding weekly sessions to discuss tax reform issues,

and Finance Committee staff have issued a series of option papers.

In addition, President Obama in his FY 2014 budget called for "revenue-neutral business tax reform that would also cut the corporate tax rate, and fundamentally reform tax incentives."

### ***The takeaway***

Although Congress and President Obama continue to debate how to address federal deficits, all parties are interested in significant tax reform legislation. Thus, businesses and individuals should review existing tax reform proposals along with the JCT staff document, and continue to provide input to tax policymakers.

## ***Let's talk***

For a deeper discussion of how this issue might affect your business, please contact:

Brian Meighan, *Washington, DC*  
(202) 414-1790  
[brian.meighan@us.pwc.com](mailto:brian.meighan@us.pwc.com)

Don Longano, *Washington, DC*  
(202) 414-1647  
[don.longano@us.pwc.com](mailto:don.longano@us.pwc.com)

Andrew Prior, *Washington, DC*  
(202) 414-4572  
[andrew.prior@us.pwc.com](mailto:andrew.prior@us.pwc.com)

Larry Campbell, *Washington, DC*  
(202) 414-1477  
[larry.campbell@us.pwc.com](mailto:larry.campbell@us.pwc.com)

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