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## *Ways and Means Chairman Camp releases discussion draft for financial products tax reform*

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House Ways and Means Chairman Dave Camp (R-MI) today released for public comment a discussion draft on reforming the tax treatment of financial products as part of the Committee's broader effort on comprehensive tax reform. Chairman Camp released 43 pages of draft statutory text and a 27-page technical explanation prepared by staff, along with a brief overview and summary.

Chairman Camp stated, "The U.S. is a leader in the financial world, but our broken and antiquated tax code has failed to keep up with the rapid pace of financial innovation on Wall Street. The lack of consistent and comprehensive tax policy has also contributed to some corporate scandals and the recent financial crisis that devastated our economy and threatened our standing in the global community. Updating these tax rules to reflect modern developments in financial products will make the code simpler, fairer and more transparent for taxpayers; and it will also help to minimize the potential for abuse that has occurred in the past."

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According to a Ways and Means Committee statement, the discussion draft "consolidates several reforms that have been identified as necessary to provide more uniform tax treatment of financial products." Specifically, the discussion draft includes six proposals intended to:

- provide uniform tax treatment of financial derivatives
- simplify business hedging tax rules

- eliminate "phantom" tax resulting from debt restructurings
- harmonize the tax treatment of bonds traded at a discount or premium on the secondary market
- increase the accuracy of determining gains and losses on sales of securities
- prevent the "harvesting" of tax losses on securities

Chairman Camp also stated that the discussion draft offers an opportunity for the business community and other interested parties to provide input on this aspect of tax reform legislation. Chairman Camp has not set a deadline for public comments.

In light of the impact of the proposed financial products reforms on many differing types of taxpayers, a forthcoming WNTS Insight will provide detailed analysis of Chairman Camp's discussion draft.

Click [here](#) for a copy of the financial products tax reform statutory language.

Click [here](#) for a copy of the Ways and Means staff technical explanation of the discussion draft.

Click [here](#) for a copy of the Ways and Means staff overview.

Click [here](#) for a copy of the Ways and Means staff summary.

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

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

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