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Sent: Tuesday, December 22, 2015 9:22 AM
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Subject: Monthly newsletter December 2015

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December 2015

2016

Congress has left town on schedule for the first time in recent memory. December 18 had been the last day listed as a work day on the House Majority Leader's Calendar since January. The fiscal year (FY) began back on October 1.

The omnibus spending bill was passed by the House on Friday, December 18, by a vote of 316-113. The tax break extensions were passed Thursday, December 17, by the House, 318-109. The Senate on the 18th with little drama cleared, 65-33, a \$1.15 trillion omnibus appropriations bill and tax extenders package, as members raced to complete business before a holiday recess. (The House had passed the two measures separately and then combined them when they were sent to the Senate.) President Obama signed the bill into law late on December 18.

The overwhelming votes in favor of the measures covered up any sign that Congress is concerned about the \$439 billion budget deficit or the almost \$19 trillion national debt.

"Budgeting in this country has pretty much become a joke," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget, a bipartisan, nonprofit watchdog group. With Congress regularly complaining about debt while voting to increase it by hundreds of billions of dollars, "the rampant hypocrisy is quite galling," she said in a statement.

Even worse than the spending measure, as MacGuineas sees it, was the accompanying package of extended tax breaks, which carries an estimated price tag of \$622 billion over the next decade, not counting interest. Republicans, who led the effort, made no attempt to offset the lost revenue with spending cuts or tax increases.

Republicans generally feel that tax cut are at least deficit neutral and at best the reduction in taxes leads to growth and thus higher revenues.

The hope is that with the budget deal reached in October, which broke the spending caps, the regular appropriations process can be in order next year. The lack of additional funds for discretionary spending lead to the collapse of "regular order" this year.

GUNS

The White House is currently reviewing the gun laws with an eye on tightening restrictions. It is expected the review will continue until the President returns from his vacation to Hawaii in early January. At that time his staff

will present possible options to him for tightening guns laws. Most of the current thinking is that the administration may focus on what it means to be “in the business” of selling weapons. Those persons who are not “in the business” do not have to become licensed dealers and thus do not have to do background checks.

Democrats for the most part have been calling the reforms and tightening the laws “common sense steps”. The Republicans hear any rumblings of “stricter guns laws” as an attack on their Second Amendment rights. This is one of those issues that is very emotional on Capitol Hill.

Permanent Internet Tax Freedom Act (PITFA)

Republican House leaders surprised opponents of the Permanent Internet Tax Freedom Act (PITFA) by air dropping the bill into the Customs Conference Report, which easily passed the House earlier this month. PITFA repeals the grandfather provision in current law that allows seven states – Hawaii, New Mexico, North Dakota, Ohio, South Dakota, Texas, Wisconsin and local governments in those states – to collect taxes on Internet access fees. The US Conference of Mayors worked feverishly with Senators Dick Durbin (D-IL), Mike Enzi (R-WY), Lamar Alexander (R-TN) and Heidi Heitkamp (D-ND) to thwart the House’s last minute gambit.

Senate Majority Leader Mitch McConnell (R-KY), who supports PITFA, was planning on clearing the Customs Conference Report for a floor vote before Senate adjournment for the Christmas break. McConnell, however, had to postpone the vote until early next year in light of a bipartisan coalition of members who objected to adopting PITFA without passing the Remote Transaction Parity Act (RTPA) – bipartisan, bicameral legislation to level the playing field between brick-and-mortar stores and Internet retailers. RTPA requires online merchants to collect out-of-state sales taxes. According to the US Conference of Mayors, enactment of RTPA will enable state and local governments to collect an estimated \$26 billion due in taxes on Internet and other remote sales.

Senators Durbin and Enzi claim to have rounded up a sufficient number of their colleagues (41 votes) to prevent McConnell from waiving a point of order against the Customs Conference Report – thereby stopping the measure in its tracks. If Enzi and Durbin are able to hold the line, McConnell will be forced to pull PITFA from the Customs Conference Report. Meanwhile, the Omnibus Appropriations Act for FY 2016, which President Obama signed into law last week, includes a provision extending, for an additional year, the temporary moratorium on Internet access tax.

Calendar of Events:

January 4 – House reconvenes

January 18 – MLK Jr. Day

January 20-22 – US Conf. of Mayors in DC

March 5-9 – NLC in DC

March 4-13 – House in Recess

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