

# THE HILL



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## Business groups push for quick action on taxes

By: Naomi Jagoda

The business community is trying to light a fire under lawmakers and push them to pass tax reform legislation as soon as possible.

The increasing pressure comes as advocates fear that the gridlock that has stalled other GOP priorities could snare tax reform as well.

“I think they are anxious,” said Douglas Holtz-Eakin, president of the American Action Forum and a former Congressional Budget Office director. “I think they would like to see some tangible progress.”

Optimism for tax reform soared after the presidential election, with business groups expecting a unified Republican government to move quickly on rewriting the tax code.

Those groups are still hopeful that tax reform legislation will pass this year, but they are also growing restless and eager to see action.

U.S. Chamber of Commerce CEO Tom Donohue on Thursday wrote an open letter to lawmakers and congressional candidates warning that “failure is not an option” on tax reform.

The letter came a month after the Chamber, the Business Roundtable, the National Association of Manufacturers (NAM) and the National Federation of Independent Business (NFIB) sent congressional leaders a joint letter urging them to press forward with a budget resolution that could ease the path for tax reform.

Neil Bradley, senior vice president and chief policy officer at the Chamber, said that there’s a desire among the group’s membership for “redoubled efforts and more progress” on tax reform and infrastructure.

Bradley said he still thinks that lawmakers can reasonably enact a tax reform bill this year but that it’s prudent “to remind people how important this is, what’s at stake and really increase our efforts to get this across the finish line.”

Holtz-Eakin said businesses recognize that tax reform is challenging and are “trying to be encouraging” and offer lawmakers their help.

Business leaders have seen some promising signs.

Congressional Republicans and administration officials have made it clear they consider tax reform a top priority.

House and Senate GOP leaders, the chairmen of the tax-writing committees and members of President Trump’s economic team are working to come up with a framework

for tax legislation they can all support. Policymakers say they anticipate action on a tax reform bill in the fall.

But so far this year, GOP lawmakers have encountered a series of setbacks as they strive to make progress on their agenda, most notably on repealing ObamaCare.

The House is expected to begin a monthlong recess after this week, while the Senate will stay in Washington for the first two weeks of August. It is possible that lawmakers will leave town without sending any significant legislation to Trump’s desk.

The House passed legislation in May to repeal and replace ObamaCare, but the Senate bill appears headed for failure.

The House Budget Committee approved a budget resolution that could help advance tax reform last week, but it’s unclear if the measure has enough support to pass the full House.

“There’s no question we’d like to see Congress hustle things up,” NFIB spokesman Jack Mozloom said. “We’d like to see them bridge their differences and focus on the important things.”

Business groups have been discussing tax reform regularly with lawmakers and administration officials.

“We’re on the Hill every day, talking to staff, talking to members,” said Dorothy Coleman, vice president of tax and domestic economic policy for NAM. She also noted that NAM held an event in June in which more than 400 of its members went to Capitol Hill to discuss tax reform.

NFIB members will be in Washington this week to press lawmakers on the need to pass tax reform and ObamaCare repeal this year.

“Our members want Congress to know that tax reform should be their top priority,” Mozloom said.

Groups are also gearing up for the August recess, when they will launch efforts to sell lawmakers and the public on changing the tax code.

In the coming weeks, the Chamber “will be launching a multi-faceted effort in support of comprehensive tax reform,” Donohue said in his letter.

Meanwhile, a small-business group called the Job Creators Network is partnering with conservative groups and former House Speaker Newt Gingrich (R-Ga.) to urge Congress to pass a narrower tax-cut package.

Different businesses have different tax priorities. But

shared goals include lower rates for small businesses and corporations and more internationally competitive rates.

While the Job Creators Network is pushing tax relief, other business groups still prefer a long-lasting rewrite of the tax code.

Raymond Keating, chief economist at the Small Business & Entrepreneurship Council, said the business community is “pretty realistic” about how Washington works. He noted that the last time Congress overhauled the tax code, in 1986,

the effort suffered several setbacks before succeeding.

“It’s never going to be perfectly smooth sailing,” he said.

But there are limits to that optimism.

Holtz-Eakin predicted business groups will be striking a more negative tone if tax reform legislation hasn’t passed a year from now.

If that happens, there will be “nothing but dismay,” he warned.

John Solomon contributed.