

Report on recent US international tax developments - 16 March 2018

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Congressional Republicans and the Trump Administration reportedly are giving consideration to moving forward with a so-called “phase 2” tax bill. US House Ways and Means Committee Chairman Kevin Brady this week said during an interview that “we” are working on a second tax bill, although he declined to offer any specifics other than it would cover areas missed by last year’s *Tax Cuts and Jobs Act* (TCJA). Chairman Brady made a point of saying the second tax bill would be separate from efforts to develop a technical corrections bill related to the TCJA. A Trump Administration official confirmed that the President and Republican lawmakers have discussed the idea, with President Trump reportedly floating a proposal to lower the capital gains tax rate.

On the subject of a TCJA technical corrections bill, the Congressional Joint Committee on Taxation (JCT) reportedly is reviewing the recent tax reform legislation to identify areas in need of correction. JCT Chief of Staff Thomas Barthold this week was quoted as saying his committee currently was working on the TCJA “bluebook,” and that part of that process includes the identification of provisions in need of technical corrections. Those identified technical corrections may be listed in the coming bluebook. Although there is no set timetable for the release of the bluebook, the JCT plans for it to be released before the end of this Congressional session. The JCT chief noted that in his mind, technical corrections are a narrow concept that apply when legislative intent is clear, but the statutory language is somehow defective.

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