



## National Association of State Auditors, Comptrollers and Treasurers

# WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 March 4, 2014

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### **The 2014 Washington Office Survey Is Now Underway!**

It's that time of year again: the NASACT Washington office wants your feedback on important issues that face us in 2014. Below is a link to a short survey that we would like you to complete to help us shape our efforts in Washington for the coming year.

Please fill out the survey by **Friday, March 14th**.

Your responses are extremely important to us, and the data will not be used or shared with any outside parties. Please visit the following link below to fill out the brief survey:

[2014 Washington Office Survey.](#)

Thank you for your time.

### **Draft Tax Reform Plan Released**

Last week, House Ways and Means Committee Chairman Dave Camp (R-MI) released a massive draft tax reform plan full of trial balloons to gauge public interest on his proposals. The document, entitled "The Tax Reform Act of 2014," seeks input and feedback on technical and policy issues raised by the draft. The document also includes several proposals of interest to the municipal market:

- New individual and corporate rate structure: flattens the code by reducing rates and collapsing today's brackets into two brackets of 10 and 25 percent for virtually all taxable income, ensuring that over 99 percent of all taxpayers face maximum rates of 25 percent or less. The plan also reduces the corporate rate to 25 percent.
- Elimination of deductions for state and local taxes.
- Termination of private activity bonds: interest on newly-issued PABs would be included in income and thus subject to tax,
- Repeal of advance refunding bonds: interest on advanced refunding bonds (i.e., refunding bonds issued more than 90 days

before the redemption of the refunded bonds) would be taxable. Interest on current refunding bonds would continue to be tax-exempt. The provision would be effective for advance refunding bonds issued after 2014.

- Repeal of tax credit bond rules: The rules relating to tax credit bonds generally would be repealed. Holders and issuers would continue receiving tax credits and payments for tax credit bonds already issued, but no new bonds could be issued. The provision would be effective for bonds issued after the date of enactment.

Upon release of the document, Chairman Camp stated "This is a comprehensive plan that reflects input and ideas championed by Congress, the Administration and, most importantly, the American people... I am hopeful that lawmakers on both sides of the aisle – and partners at both ends of Pennsylvania Avenue – take a close look at this plan and share their thoughts and ideas, and those of their constituents. The bottom line: just saying 'no' is not a solution. We can, and need, to work together to craft a plan that fixes our broken code."

An overview of the nearly 1,000-page tax reform plan, as well as a link to the entire document, can be found at

<http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=370987>.

### **The Week Ahead: Internet Sales Tax, the Fiscal 2015 Budget, Protecting Financial Information, and Contractor Performance**

- Tomorrow, Tuesday March 4, the House Judiciary Committee will look at alternative solutions to the internet sales tax issue: <http://judiciary.house.gov/index.cfm/2014/3/exploring-alternative-solutions-on-the-internet-sales-tax-issue>.
- On Wednesday, the Senate Finance Committee will host Treasury Department Secretary Jacob Lew to discuss the proposed

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Fiscal 2015 for the Federal government:

<http://www.finance.senate.gov/hearings/hearing/?id=59fe2ff4-5056-a032-5240-bc8e40c66949>.

- Also on Wednesday, the House Financial Services Subcommittee on Financial Institutions and Consumer Credit will examine efforts to protect Americans' financial information through data security: <http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=371096>.
- On Thursday, the Senate Homeland Security and Governmental Affairs Subcommittee on Financial and Contracting Oversight will look at how the federal government collects, manages, and uses information about contractor performance and integrity: <http://www.hsgac.senate.gov/subcommittees/fco/hearings/oversight-of-contractor-performance-information>.