



# Washington Update



## PERMANENT STATE SALES TAX DEDUCTION BILL INTRODUCED

Sen. Dean Heller (R-NV) has introduced S. 126, a bill that would make the deduction for state and local sales taxes permanent. The state and local sales tax deduction is taken in lieu of the state and local income tax deduction on federal taxes. It is particularly important for citizens in the states that do not have income taxes such as Nevada, Washington, Wyoming, South Dakota, Tennessee, Florida and Texas. Sen. Heller stated:

“State and local sales tax deductions benefit Nevadans greatly... I introduced bipartisan legislation with

my Democratic colleague Senator Maria Cantwell to ensure these tax breaks remain permanent. The Silver State’s families have seen their fair share of difficult times over the years. This bill allows them to keep their hard-earned money in their own pockets and in turn, boost local economies.”

S. 126 currently has eight cosponsors.

## STATES WOULD BE BANNED FROM TAXING INTERNET ACCESS UNDER GOODLATTE BILL

House Judiciary Chairman Rep. Bob Goodlatte (R-VA) has introduced H.R. 235, a bill that would make the moratorium on taxing Internet access permanent. The bill, entitled the Permanent Internet Tax Freedom Act, would make permanent the part of the Internet Tax Freedom Act that bans state and local governments from taxing Internet access. In introducing the bill, Rep. Goodlatte stated:

“Whether business owners or jobseekers, grandparents or students, all Americans benefit from tax-free access to the Internet. Internet access drives innovation and the success of our economy. It is a gateway to knowledge, opportunity, and the rest of the globe. And year after year, Congress has chosen to temporarily extend the bipartisan ban on Internet access taxes. The time has come to make this ban permanent.”

H.R. 235 currently has eight cosponsors.



## SENATE FINANCE COMMITTEE LEADERS LAUNCH TAX REFORM WORKING GROUPS

Last Thursday, Senate Finance Committee Chairman Orrin Hatch (R-UT) and ranking member Ron Wyden (D-OR) announced the creation of five separate bipartisan Finance Committee Tax Working Groups to address comprehensive tax reform efforts in the newly-formed 114th Congress. The policy focus areas and co-chairs will be:

- **Individual Income Tax**  
Sens. Chuck Grassley (R-IA), Mike Enzi (R-WY) and Debbie Stabenow (D-MI)
- **Business Income Tax**  
Sens. John Thune (R-SD) and Ben Cardin (D-MD)
- **Savings and Investment**  
Sens. Mike Crapo (R-ID) and Sherrod Brown (D-OH)
- **International Tax**  
Sens. Rob Portman (R-OH) and Chuck Schumer (D-NY)
- **Community Development and Infrastructure**  
Sens. Dean Heller (R-NV) and Michael Bennet (D-CO)

Each policy group will work with the Joint Committee on Taxation to produce options and potential legislative solutions within its assigned area, with the goal of having one final comprehensive report featuring recommendations from each of the five groups completed by the end of May. The report recommendations will serve as a foundation for the development of bipartisan tax reform legislation.

## IRS TEB DIVISION TO HOLD WEBINAR

The Internal Revenue Service's Tax-Exempt Bond (TEB) Division will conduct a webinar on February 5 to discuss priorities in the TEB area for 2015. The webinar, "Tax Exempt Bonds Director's Updates for Fiscal Year 2015," will be conducted by TEB Director Rebecca Harrigal. Issues to be discussed during the webinar will include:

- Market Segment Program
- Voluntary Closing Agreement Program
- Customer satisfaction surveys
- Compliance checks and surveys

Registration for the webinar can be found at [www.irs.gov/Tax-Exempt-Bonds/Tax-Exempt-Bonds-Director%E2%80%99s-Updates-for-Fiscal-Year-2015](http://www.irs.gov/Tax-Exempt-Bonds/Tax-Exempt-Bonds-Director%E2%80%99s-Updates-for-Fiscal-Year-2015).

## THE WEEK AHEAD: WHAT IS "WORK?"

On Thursday, January 22, the Senate Health, Education, Labor and Pensions Committee will conduct a hearing entitled "Examining Job-Based Health Insurance and Defining Full-Time Work." The witness list is not available at this time.

The hearing can be viewed at [www.help.senate.gov/hearings/hearing/?id=4f3d1ecc-5056-a032-52c7-70b79de20bb1](http://www.help.senate.gov/hearings/hearing/?id=4f3d1ecc-5056-a032-52c7-70b79de20bb1).

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