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If You're Not At the Table, You're On the Menu: Ways and Means Working Groups Solicit Input on Tax Reform

By: Michael W. Evans, Mary B. Baker, Karishma S. Page, Ryan J. Severson, and Andr s Gil

Comprehensive tax reform is the top priority of the congressional tax-writing committees this year. In continuation of several years of work on this issue, the House Ways and Means Committee recently unveiled the next stage of the tax reform process: bipartisan working groups that will aggregate stakeholder input and identify major issues for tax reform. These working groups present a critical opportunity to engage with the Committee—and create a big risk for businesses that sit on the sidelines.

The Basics

So what are the tax reform working groups, and how do they operate?

What are the working groups? There are 11 working groups dedicated to tackling different substantive areas of the Tax Code (described below). The goal of the working groups is to report issues and questions that the Committee should address in comprehensive tax reform. Each working group is essentially on a fact-finding mission. It is important to note that the working groups will not make specific policy recommendations to the Committee.

How do the working groups operate? Ways and Means has given the working groups a great deal of latitude in how they operate and interact with the public. The chair and vice chair of each working group may provide further procedures relative to each respective group. For example, some groups may release a list of questions or issues about which they are particularly interested in receiving comments and input. We anticipate that these inquiries will be posted on the Ways and Means Committee [website](#).

Where can I provide input? Commenters can submit materials to the working groups electronically or during an in-person meeting with a Member or staff. Formal submissions through the Committee's email address or website will be made public and will be posted on the Committee's [comment page](#).

When is this all taking place? Written comments can be submitted through Monday, April 15, 2013. The Joint Committee on Taxation will summarize the submissions, as well as other information gathered by the working groups, in a May 6, 2013 report to the full Ways and Means Committee.

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Who is leading this effort? Each working group is chaired by a Republican member of the Committee, with a Democratic member serving as vice chair.

Tax Reform Working Groups		
Working Group	Chair	Vice Chair
Charitable/Exempt Organizations	David Reichert (R-WA)	John Lewis (D-GA)
Debt, Equity and Capital	Kenny Marchant (R-TX)	Jim McDermott (D-WA)
Education and Family Benefits	Diane Black (R-TN)	Danny Davis (D-IL)
Energy	Kevin Brady (R-TX)	Mike Thompson (D-CA)
Financial Services	Adrian Smith (R-NE)	John Larson (D-CT)
Income and Tax Distribution	Lynn Jenkins (R-KS)	Joseph Crowley (D-NY)
International	Devin Nunes (R-CA)	Earl Blumenauer (D-OR)
Manufacturing	Jim Gerlach (R-PA)	Linda Sanchez (D-CA)
Pensions/Retirement	Pat Tiberi (R-OH)	Ron Kind (D-WI)
Real Estate	Sam Johnson (R-TX)	Bill Pascrell, Jr. (D-NJ)
Small Business/Pass Throughs	Vern Buchanan (R-FL)	Allyson Schwartz (D-PA)

Other members of the Committee may participate in various working groups, and some members may choose to participate in multiple groups. In other words, aside from the chair and vice chair, the working groups have no formal membership. Additionally, some industries may fit into multiple working groups. Finally, each working group will be staffed by the chair's/vice chair's personal staff, with committee staff available as needed. The Joint Committee on Taxation will also be participating in meetings and assisting the working groups.

What Does It Mean for Businesses?

Don't be a shrinking violet. The working groups represent a significant opportunity to participate in the tax reform process. Although there is skepticism whether comprehensive tax reform will occur in 2013, the information gathered by the working groups is likely to influence how Members and staff view certain issues going forward.

Also, to the extent that tax expenditures may be used as "one-offs" to pay for deficit reduction or to mitigate the effects of the sequester, **it is important to weigh in now with Members and staff so that valued deductions and credits are not eliminated. Committee staff has strongly indicated that it will be more difficult for companies that do not weigh in with the working groups to participate later in the tax reform process.**

Get in early. The Committee has set an April 15 deadline for submissions. However, stakeholders should voice their opinions well before the deadline to ensure that the working groups have time to consider their submissions.

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Engage on multiple fronts. All electronic submissions to the Committee will receive consideration. However, organizations can raise their profile and demonstrate the importance of certain tax provisions by simultaneously engaging directly with Members and staff on the working groups through in-person meetings and other means.

Any person or organization can e-mail their comments to tax.reform@mail.house.gov. Additional details on submission requirements are available on the Ways and Means Committee's [website](#).

Bias in favor of simplification. Democrats and Republicans agree that one of the main goals of tax reform is simplification. As a result, businesses that rely on an industry-specific credit or deduction, multinational corporations that rely on complex international tax structures, and certain pass through entities may be at a heightened risk during the tax reform process and should be actively involved with the working groups.

The Ways and Means Committee's working group process provides an important opportunity for organizations that want to weigh in on comprehensive tax reform. At the same time, the working groups present big risks for businesses that have traditionally stayed away from the tax reform process. Companies that pass on the chance to sit at the table may find themselves on the tax reform menu in the months ahead.

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