



## Legislative & Political Update

### 116<sup>th</sup> Congress & 2020 Elections

September 13, 2019

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## Agenda

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- Overview of 116<sup>th</sup> Congress (2019-2020)
- 116th Congress: Tax-Related Measures
  - Taxpayer First Act (IRS Reform)
  - Tax Extenders
  - IRS Funding
- Trump Administration: Capital Gains Tax Cut (depends on the week)
- The 2020 Election
  - Overview of the Presidential Election
  - The Candidates' Positions on Key Health Care Issues
  - Overview of Congressional Elections
- Questions/Answers
- Conclusion

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## Overview of 116<sup>th</sup> Congress

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## Overview of 116<sup>th</sup> Congress

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### The House of Representatives (435 Members)

- 235 Democrats
- 199 Republicans
- 1 Independent
- 218 votes normally needed to pass bills (217 with current vacancies)—a simple majority of the total members in House
- Democrats currently have 18 more votes than needed to pass bills

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## Overview of 116<sup>th</sup> Congress

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### The House of Representatives (435 Members)

- Key Democratic Caucuses
  - Congressional Progressive Caucus—the progressive faction
  - Medicare for All Caucus—progressives focused on health care
  - New Democrat Coalition—moderate centrist Democrats
  - Blue Dog Coalition—centrists focused on fiscal responsibility
  - Blue Collar Caucus—working class focus – flip Dems who voted Trump
- Key Republican Caucuses
  - The Freedom Caucus—conservative caucus, counterpart to Tea Party
  - The Tuesday Group—moderate Republicans
  - Republican Main Street Partnership—moderate Republicans
  - Republican Study Committee—conservative Republicans

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## Overview of 116<sup>th</sup> Congress

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### The U.S. Senate (100 Members)

- 53 Republicans
- 45 Democrats
- 2 Independents that caucus with Democrats
- 51 votes needed to confirm Trump Administration nominees
- 60 votes needed to beat filibuster
- 60 votes = 53 Rs + 7 Ds
- Republicans cannot pass most legislation without Democrats

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## 116<sup>th</sup> Congress: Tax-Related Measures

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## Tax Legislation in the 116<sup>th</sup> Congress

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### Taxpayer First Act (IRS Reform)

- Passed Congress – June 14, 2019
- Signed into Law – July 1, 2019
- Establishes an “Independent Office of Appeals” at IRS
- Requires the IRS to create a comprehensive strategy around customer service
- Directs IRS to create an internet platform for filing Form 1099
- Requires electronic filing for certain filers and lowers threshold for requiring electronic returns
- Increases the minimum failure to file penalty

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## Tax Legislation in the 116<sup>th</sup> Congress

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### Tax Extenders

- Passed House on June 20, 2019
- Senate Passage expected in the fall & Final passage by year-end
- Includes:
  - Renewable energy credits
  - Employer credit for paid family leave
  - Relief for taxpayers impacted by natural disasters (retroactive to 1/1/18)

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## Tax Legislation in the 116<sup>th</sup> Congress

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### IRS Funding

- Bipartisan support for a “cap adjustment” to increase funding for enforcement
- President Trump and Congress reached a broad budget caps deal that passed Congress on August 1, 2019
- Budget deal paves the way for appropriations work in the fall
- Initial appropriations action will be short-term CR by 9/30.
- Increased IRS funding will be considered in longer-term appropriations bill that will follow.

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## The 2020 Elections

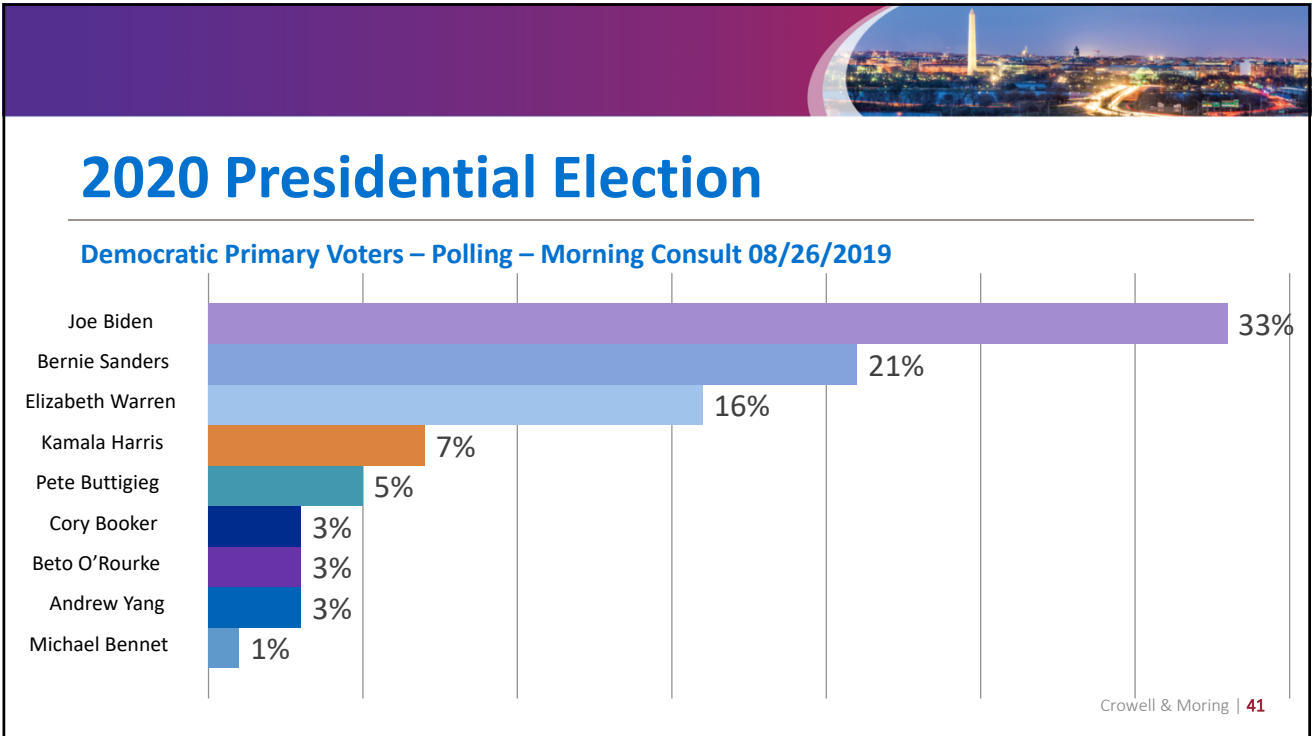
**President**  
**US Senate**  
**US House**



## 2020 Presidential Election

### The Democratic Field

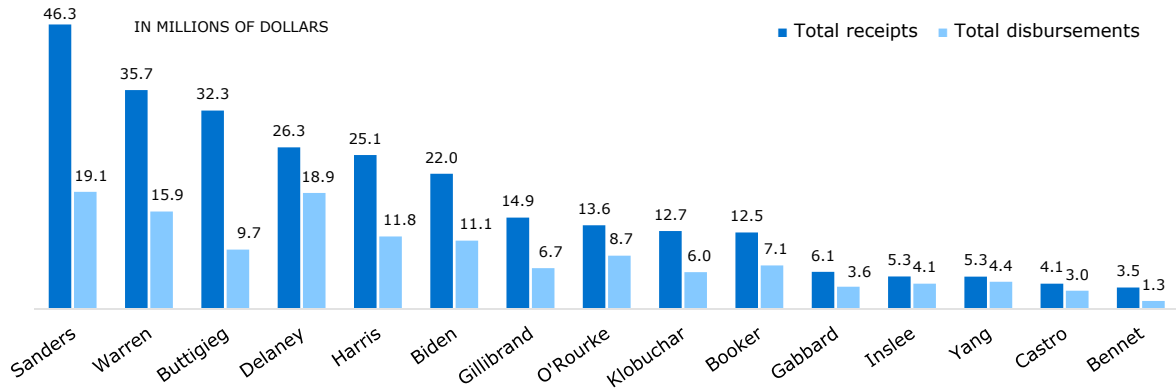
- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Michael Bennet – Senator from CO</li> <li>2. <b>Joe Biden – Former VP and Senator from DE</b></li> <li>3. <b>Cory Booker – Senator from NJ</b></li> <li>4. Steve Bullock – Governor of MT</li> <li>5. <b>Pete Buttigieg—Mayor of South Bend, IN</b></li> <li>6. <b>Julián Castro—Former HUD Secretary</b></li> <li>7. Bill de Blasio – Mayor of NYC</li> <li>8. John Delaney—Former Representative from MD</li> <li>9. Tulsi Gabbard—Representative from HI</li> <li><del>10. Kirsten Gillibrand—Senator from NY</del></li> <li><b>11. Kamala Harris—Senator from CA</b></li> <li><del>12. John Hickenlooper – Governor of CO</del></li> <li><del>13. Jay Inslee – Governor of WA</del></li> </ol> | <ol style="list-style-type: none"> <li><b>14. Amy Klobuchar—Senator from MN</b></li> <li>15. Wayne Messam – Mayor of Miramar, FL</li> <li><del>16. Seth Moulton—Representative from MA</del></li> <li><b>17. Beto O’Rourke – Former Representative from TX</b></li> <li>18. Tim Ryan – Representative from OH</li> <li><b>19. Bernie Sanders – Senator from VT</b></li> <li>20. Joe Sestak – Former Representative from PA</li> <li>21. Tom Steyer – Former Hedge Fund Exec</li> <li><del>22. Eric Swalwell – Representative from CA</del></li> <li><b>23. Elizabeth Warren—Senator from MA</b></li> <li>24. Marianne Williamson—Spiritual Guru, Entrepreneur</li> <li><b>25. Andrew Yang—Founder , Venture for America</b></li> </ol> |
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- 2020 Presidential Election**
- Democratic Caucuses/Primaries**
- Iowa Caucuses – 02/20/2020
  - New Hampshire Primary – 02/11/2020
  - Nevada Democratic Caucuses – 02/25/2020
  - South Carolina Democratic Primary – 02/29/2020
  - Super Tuesday – 03/03/2020
    - Alabama
    - Arkansas
    - California
    - Colorado
    - Massachusetts
    - Minnesota
    - North Carolina
    - Oklahoma
    - Tennessee
    - Texas
    - Utah
    - Vermont
    - Virginia
    - Maine
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## 2020 Democratic Fundraising

Total receipts at the end Q2 (June 30, 2019)



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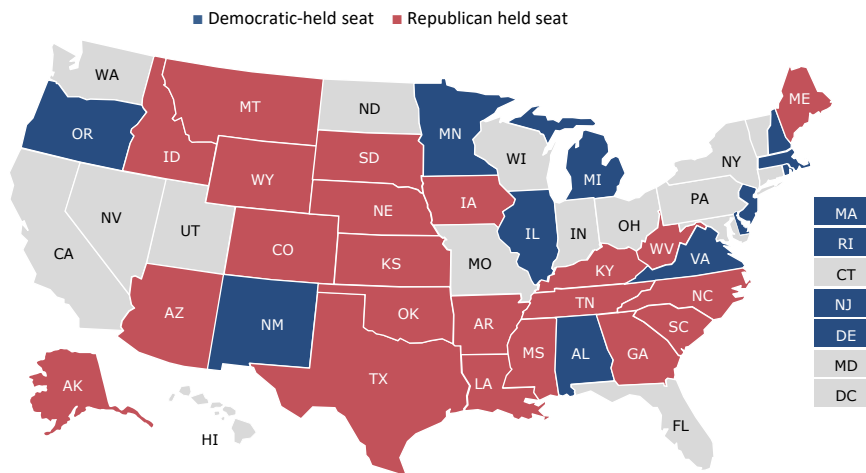
## 2020 Senate Races

- The Current U.S. Senate
  - 53 Republicans, 47 Democrats (with 2 Independents)
- 35 Senate Seats Up for 2020 Re-election (incl. AZ, GA special)
  - 23 Republicans
  - 12 Democrats
- Key Presidential States with 2020 Senate Elections – Arizona (McSally-R), Iowa (Ernst-R), Texas (Cornyn-R), Virginia (Warner –D), North Carolina (Tillis-R) and Michigan (Peters-D)

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## 2020 Senate Election Map

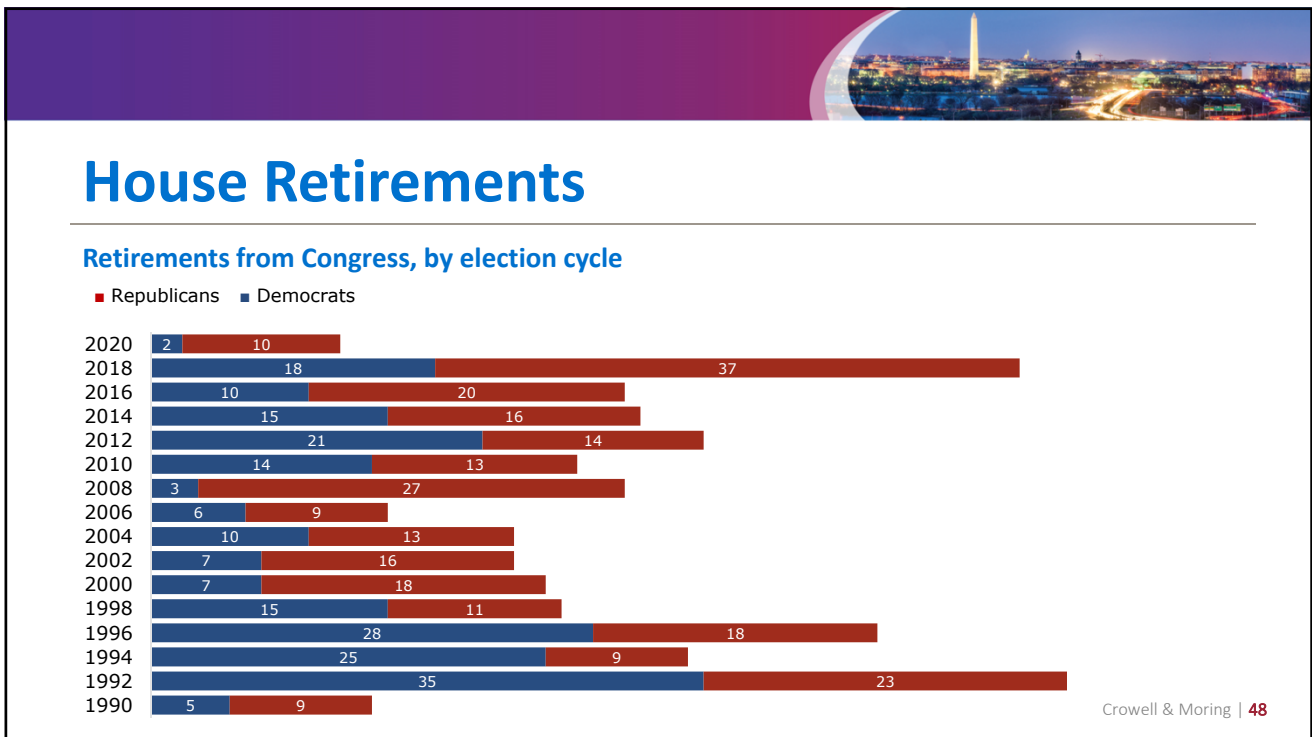
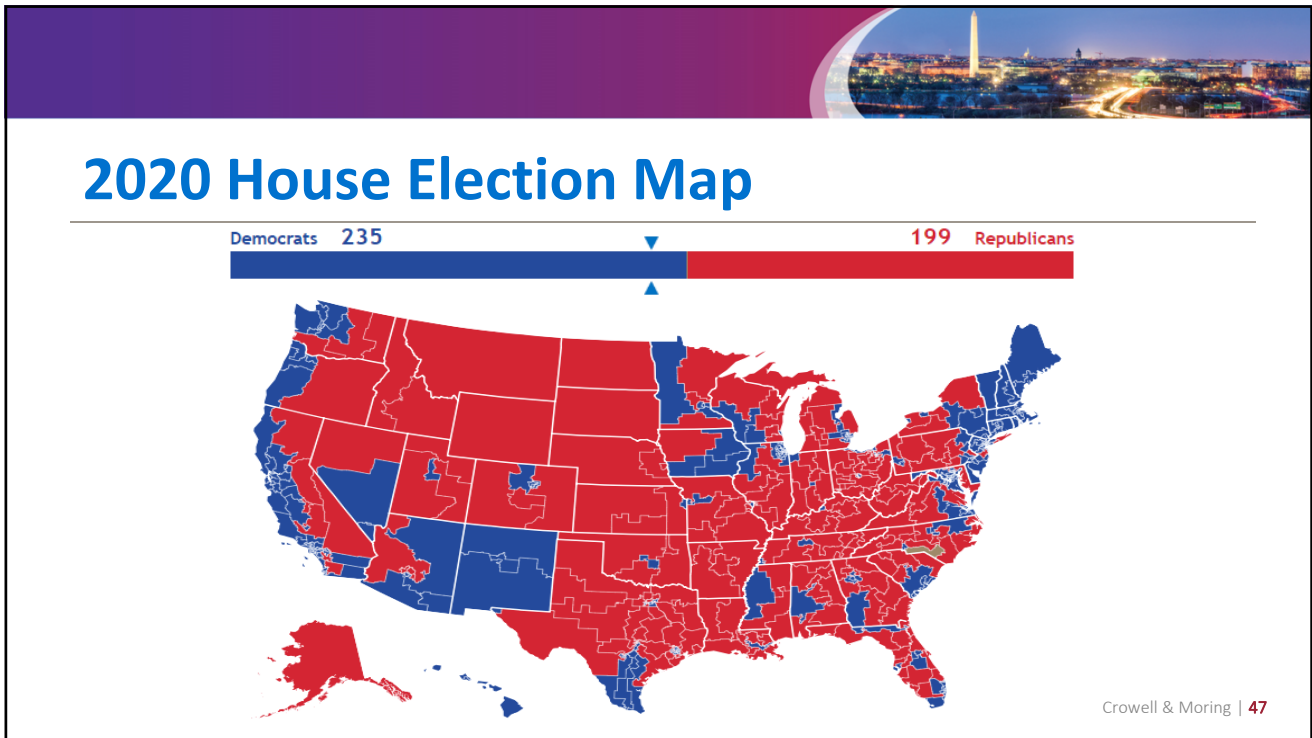


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## Update on 2020 House Races

- The Current U.S. House
  - 235 Democrats (218 Needed to Pass Bills)
  - 199 Republicans
  - 1 Independent
- All 435 House Seats Up for Re-election in 2020
- What to watch for in House 2020 Election – expansion of number of liberal House Democrats? More female and diverse members of Congress? Do Democrats overplay their hand and produce Republican backlash?

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## Final Thoughts on 2020 Elections

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- President Trump
- President Democrat
- Republican Senate
- Democratic Senate
- Republican House
- Democratic House
- Potential Implications for Tax in 2021 and Beyond

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## Questions?

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