

HOMES JOBS COMMUNITY



*NDC Washington
Webinar Series*

*2017 Wrap Up : Tax Reform and FY 2018
Funding*

Presented by: Jane Campbell | December 19, 2017





The
**TAX CUTS & JOBS
ACT**

MORE jobs | FAIRER taxes | BIGGER paychecks





H.R. 1 Impact on Community and Economic Development

Tax Cuts and Jobs Act	House	Senate
Historic Tax Credit	ELIMINATES	20% over 5 years (4% a year) from 20% upfront
NMTC	ELIMINATES	Sustains current legislation in PATH Act allowing for 2018 & 2019 allocations
PABS	ELIMINATES	Current law is maintained
SALT	\$10,000 on Property only	ELIMINATES



H.R. 1 Impact on Community and Economic Development

Tax Cuts and Jobs Act	Current Law	House	Senate	Conference Report
Historic Rehabilitation Tax Credit (HTC)	20 percent credit claimed when certified historic property is placed in service	Subject to transition rules, REPEALED after 2017	20 percent credit retained , but claimed over 5 years , after 2017, subject to transition rules	20 percent credit retained , but claimed over 5 years , after 2017, subject to transition rules
New Markets Tax Credit (NMTC)	\$3.5 billion annual allocation for 2018 and 2019, 39 percent credit, slated to expire after 2019	2017 round retained , 2018 and 2019 rounds REPEALED	2017, 2018 and 2019 rounds retained	2017, 2018 and 2019 rounds retained
Private Activity Bonds (PAB)	\$100 per capita/\$305 million small state minimum (2017)	All PAB, including residential rental, REPEALED after 2017	All PAB, including residential rental, Retained	All PAB, including residential rental, Retained
Alternative Minimum Tax	20 percent for corporations 28 percent for individuals	Repealed for corporations and individuals	RETAINED for corporations; Increased exemption and phase-out thresholds for individuals until Dec. 31, 2025	Repealed for corporations; Increased exemption and phase-out thresholds for individuals until Dec. 31, 2025
Corporate Rate	Top corporate rate of 35 percent	Top corporate rate of 20 percent tax years beginning after Dec. 31, 2017	Top corporate rate of 20 percent tax years beginning after Dec. 31, 2018	Top corporate rate of 21 percent tax years beginning after Dec. 31, 2017



**TAX CUTS &
JOBS ACT**

Senator's on the Fringe



Susan Collins
(Maine)



Jeff Flake
(Arizona)



Steve Daines
(Montana)



Lisa Murkowski
(Alaska)



Bob Corker
(Tennessee)



James Lankford
(Oklahoma)



John McCain
(Arizona)



Ron Johnson
(Wisconsin)



Dean Heller
(Nevada)

TRUMP-SCHUMER-PELOSI Deal

Expiring ~~December 8th 2017~~ ^{...} December 22, 2017

- Extension of the debt ceiling
- \$15.25 B disaster relief package for Harvey and anticipated response to Irma
- Continuing resolution to fund government thru 12/8/17 at current FY17 funding levels

Before Congress leaves for Holidays

- **Vote to fund the Government**
- **Vote to raise the Debt Ceiling**

2018 is an election year



Fiscal Year 2017 (CR FY18 12/22)

October 1st, 2016 – September 30th, 2017



	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
SBA Micro TA	25	31	31	25	31
SBA Micro Loans (ba)/loan	3.3/35	4.3/44.4	4.3/44	4.3/44	4.3/44
PRIME	5	0	5	0	5
7(a) guarantees	21000	27,000	28,500	26,500	26,500
Treasury Programs	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
CDFI Fund	233.523	245.9	250	233.523	248
CDFI FA/TA Grant Programs	153.4	153.4	184	171.4	161
Native Initiative	15.5	15.5	16	15.5	15.5
Bank on USA		N/A			
Healthy Food Financing Initiative	22	22	0	0	
Small Dollar Loan Fund		10	0	0	
Bank Enterprise Award	19	19	19	23	23\
Capital Magnet Fund*		[80]			
Admin and Research	23	26	25	23.6	23.6
Disabilities Fund			6		(3)**
Bond Program	750	1,000	250	500	500
Economic Development Administration	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
Economic Development Assistance Programs	222	215	225	222	276
* mandatory account authorized under the Housing and Economic Recovery Act of 2008					
** setaside from FA/TA					

Fiscal Year 2017 (CR FY18 12/22)

October 1st, 2016 – September 30th, 2017



HUD	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
HOME	950	950	950	950	950
Capacity Building	0	0		0	
Transformation Initiative	0	0	0	0	
Housing Counseling	47	47	55	47	55
Community Development Fund	3060	2880	3060	3000	3060
CDBG Formula funding	3000	2800	3000	3000	3000
Choice Neighborhoods Initiative	125	200	100	80	137.5
Housing Trust Fund**	170	136			
SHOP	55.7#	10*	50#	54#	
Section 108 Program Level	300	300	300	300	300
Section 202 Housing for Elderly	423	505	505	505	502.4

Fiscal Year 2017 (CR FY18 12/22)

October 1st, 2016 – September 30th, 2017



EPA	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
Clean Water SRF	1393	979		1393.8	1393.8
Safe Drinking Water SRF	863	1020		863	863
Labor/HHS Programs	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
HHS – CSBG Discretionary: Rural Facilities	6.5	0	7.5	0	7.5
HHS – Community Economic Development	29.883	0	29.88	0	19.88
IDA	19				
Labor – Workforce Invest.- Migrant and Seasonal Farmworkers	75				
Migrant & Seasonal Housing Set-Aside	5.517	5.517	5.517	5.517	5.517
Labor – Youthbuild	84.5	84.5	84.5	84.5	84.5

Fiscal Year 2017 (CR FY18 12/22)

October 1st, 2016 – September 30th, 2017



RHS/RUS Programs	FY 16 Final	FY 17 Budget	FY 17 House	FY 17 Senate	FY 17 Final
502 Single Family Direct	900	900	1,000	900	1,000
502 Single Family Guaranteed	24,000	24,000	24,000	24,000	24,000
504 Loans	26.28	26.277	26.277	26.278	26
504 Grants	28.7	28.7	28.7	28.7	#28.7
514 Farm Labor Housing Loans	23.855	23.857	23.9	23.857	23.855
515 Rural Rental Housing	28.4	33.074	35	40	35
516 Farm Labor Housing Grants	8.4	8.3	8.4	8.336	8.336
521 Rural Rental Assistance					
	1389	1405	1,405.03	1,405.03	1,405.03
523 Self-Help TA	27.5	18.493	30	27.5	30
533 Housing Preservation Grants	3.5	0	3.5	3.5	#5
538 Rental Housing Guaranteed	150	230	200	230	230
Multi-Family Restructuring* (BA)	37	37.362	40	40	41.4
Housing Preservation Demonstration	0	0	0	0	0
Voucher Demonstration	(15)	(18)	(18)	(18)	19.4
Supervisory TA Grants	0	0	0	0	0
Community Facility Loans	2200	2,200	2,200	2200	2,600
Community Facility Grants	25	37	43.778	42.278	30
Community Facility Guarantee	148	0	148.305	156.25	148.305
Water-Wastewater Loans	1200	803	1,250	1200	1,200
Water-Wastewater Grants	364	350	533	364.38	391.98
Water-Wastewater Guarantee	50	0	0	50	50
Solid Waste Grants	4	1	4	4	4
Small Systems Revolver	1	1	1	1	1
Rural Business Enterprise Grants	24	33	43	24	24
Intermediary Re-lending	18.9	18.889	18.889	18.889	18.889
RCDI	4	4	4*	4	4
B&I	919	892	919	919.765	919.765
Rural Microenterprise Investment BA/Program Authority					
	0	4/32	0/0	0/0	0/0
Rural Microenterprise Investment Grants					
	0	4	0	0	0

Government Shuts Down without another CR or Omnibus

Republican leaders considering next steps to keep government open

- Negotiating with Democrats (who have leverage in Senate) could alienate conservatives
- Striking a deal with conservatives risk shutdown if Dems oppose
 - House is slated to vote for full-year defense funding and CR for other agencies
 - Democrats and some Senate Republicans oppose the House Approach
- Another CR until January is likely short-term outcome

Appropriators still need to finalize omnibus package

- Funding levels and policy riders differ in House and Senate
- House has passed omnibus (H.R. 3354), Senate hasn't considered any measures

Government Shuts Down without another CR or Omnibus

FY 2018 must comply with Budget Control Act Caps - Bipartisan Budget Act increased caps for FY 16 and FY 17

Lawmakers considering another 2yr deal; GOP want increase in defense, Dems want parity

Caps (in billions)	Current Law	GOP Proposal	Dem Proposal
Fiscal 2018			
Defense	\$549.1	+\$63	+\$54
Nondefense	\$515.7	+\$52	+\$54
<i>Total</i>	<i>\$1,064.8</i>	<i>+\$115</i>	<i>+\$108</i>
Fiscal 2019			
Defense	\$562.0	+\$63	+\$54
Nondefense	\$529.1	+\$52	+\$54
<i>Total</i>	<i>\$1091.2</i>	<i>+\$115</i>	<i>+\$108</i>

Government Shuts Down without another CR or Omnibus

More funding needed for Disaster relief – Hurricanes in TX, FL, PR & VI / CA Wildfires

- Congress has approved close to \$60B to date
- White House requested an additional \$44B w/ offsets which lawmakers oppose
 - Offsets: extending sequestration, cancelling appropriated Pell Grant Funding, ending subsidies for high efficiency cars
- PR requested \$94B, Texas requested \$61B, CA requested \$4.4B before the most recent fires in Southern CA

Other issues that could be attached

- Children's Health Insurance Program (CHIP)
- National Flood Insurance Program
- Funding to combat opioid addiction
- Obamacare taxes and Medicare extenders
- DACA
- WH wants Wall funding

Appropriations Backlog

Timetable of the budget process under the 1974 Congressional Budget Act

On or Before	Action
First Monday in February	President submits his budget
Feb. 15	Congressional Budget Office submits report to Budget committees
No later than 6 weeks after the President submits the budget	Committees submit views and estimates to Budget committees
April 1	Senate Budget Committee reports concurrent resolution on the budget
April 15	Congress completes action on the concurrent resolution on the budget
May 15	Annual appropriation bills may be considered in House
June 10	House Appropriations Committee reports last annual appropriation bill
June 15	Congress completes action on reconciliation legislation
June 30	House completes action on annual appropriation bills
Oct. 1	Fiscal year begins

What to Watch for in 2018

Date	What to WATCH
Jan. 3, 2018	House and Senate convene for 2 nd Session of 115 th Congress
Jan. 30	POTUS State of the Union Address
Feb. 1-2	House GOP Retreat
Feb. 8-9	House Dem Retreat
March 5	Deadline for DACA measure
March 6	First congressional primaries begin in TX
March 13	Special election in PA14
March 31	FAA expires
Late March /early April	Debt limit increase
July 30 –Sept. 3	House Summer Recess
Aug 4 – Sept. 3	Senate Summer Recess
Sept. 30	Expiration of Farm Bill, VAWA domestic violence programs and emergency health preparedness authorities
Oct 1.	Fiscal year 2019 starts
Oct. 15 – Nov. 12	House election recess
Nov. 6	Election Day
Nov. 13	Lame Duck session
Dec. 13	Scheduled Adjournment of 115 th



Contact

Jane L. Campbell

*Director of the Washington Office
NDC*

jcampbell@ndconline.org

202-400-3680

NDConline.org

Ken Baker

*Policy Associate
NDC*

kbaker@ndconline.org

202-400-3680

NDConline.org