



Legislative Highlights
Wednesday, December 6, 2017

Tax Reform Update

The legislative process for tax reform continues this week as the House voted to name conferees to a House-Senate conference committee that is to reconcile differences between the House and Senate versions of the Tax Cuts and Jobs Act (H.R. 1). The House vote in favor of the conference committee was [222 to 192](#).

House Speaker Paul Ryan (R-WI) named Ways and Means Committee Chairman Kevin Brady (R-TX) to the conference committee along with Representatives Devin Nunes (R-CA), Peter Roskam (R-IL), Diane Black (R-TN), Kristi Noem (R-SD), Rob Bishop (R-UT), Don Young (R-AK), Fred Upton (R-MI) and John Shimkus (R-IL). House Democratic Leader Nancy Pelosi (D-CA) selected Representatives Richard Neal (D-MA), Sander Levin (D-MI), Lloyd Doggett (D-TX), Raúl Grijalva (D-AZ) and Kathy Castor (D-FL).

The Senate is expected to name conferees and vote to go to conference later this week.

“While it’s unclear, the full extent of the impact the proposed changes will have on local decision making and resources available for public services, the threat it poses to students, parents and communities is very real. Limiting the current State and Local Tax deduction and providing tax-advantages for private school tuition accounts are misguided efforts and a significant step in the wrong direction,” NSBA Executive Director and CEO Thomas J. Gentzel stated after the Senate’s recent vote on the tax reform bill. “NSBA urges Congress to put students, parents, and communities first as the House and Senate bills move to conference.”

NSBA’s letter to the Senate regarding the proposed Tax Cuts and Jobs Act (H.R. 1) is [posted here](#). NSBA opposes H.R. 1 because it would have a negative impact on state and local resources for education investments in our students and schools. As we have reported, the House- and Senate-passed bills for H.R. 1 would expand 529 education savings accounts to cover tuition costs for private elementary and secondary schools. The bills would also limit state and local tax deductibility (SALT) for property tax payments to \$10,000, and fully eliminate deductibility for income and sales taxes paid to state and local governments. Further, the measures would eliminate important tax-exempt financing tools for municipal bonds that our districts rely on for school infrastructure repairs, modernization and new construction for safe and healthy learning environments.

The Joint Committee on Taxation (JCT) has estimated that H.R. 1 would increase the deficit by about \$1.4 trillion over 10 years. NSBA will continue to oppose the bill and encourages you to urge your members of Congress to do the same. Many thanks to those who have called and written letters to your Congressional delegations expressing opposition.

Talking Points are available below.

Educational Choice – We urge you to reject provisions to the Tax Cuts and Jobs Act that would create a federal tax credit program for tuition to non-public elementary and secondary schools. Specifically, NSBA opposes vouchers, tax credits, and tax subsidies for use at non-public K-12 schools that would create a separate unaccountable system of publicly funded and/or subsidized education.

Talking Point: We urge you to reject the provisions in the House and Senate bills for the Tax Cuts and Jobs Act that would create a separate unaccountable system of publicly funded and/or subsidized education for non-public schools through the proposed expansion of 529 education savings accounts. Instead, we urge your strong support for the [range of choices](#) that are currently offered by our nation's public school districts, such as magnet schools, charter schools authorized by local school boards and schools with specialized curricula for science, technology, engineering, the arts, and mathematics (STEAM).

State and Local Tax Deductibility (SALT) – As currently proposed, the House and Senate versions of the Tax Cuts and Jobs Act would eliminate deductibility of sales and income taxes paid to state and local governments; and, both bills would limit deductibility of property tax payments to \$10,000. Urge your members of Congress to support our students, their families and communities by maintaining full deductibility of state and local taxes.

Talking point: We urge your strong support for tax legislation that will strengthen state and local efforts to fund public education, and to reject proposals that would negatively affect those efforts. We urge you to retain full deductibility of state and local taxes (SALT) and to reject the provisions to the Tax Cuts and Jobs Act that would limit or eliminate SALT.

School Bond Programs and Advance Refunding – Municipal bond programs that benefit school construction and other capital improvements for school districts would be eliminated under the House-passed Tax Cuts and Jobs Act, along with advance refunding of bonds. The Senate's version of H.R. 1 would also eliminate private activity bonds and advance refunding. Advance refunding allows school districts/bond issuers to refinance a bond one time for a lower interest rate, which is a cost-savings to taxpayers.

Talking Point: As an important investment in school infrastructure for safe, healthy and innovative learning environments, we urge you to retain the municipal bond programs that directly benefit our students, communities and economy. In addition, we urge you to restore advance refunding for bond programs that helps our school districts and communities finance school infrastructure in a cost effective manner.

Teacher Tax Credit – The House-passed bill would repeal the \$250 above-the-line tax deduction currently available to teachers who use their personal funds to supplement instructional materials and classroom supplies for students. However, the Senate's version of the bill would double this deduction for educators.

Talking Point: We urge you to support the Senate's provisions in the final Tax Cuts and Jobs Act, as many of our teachers use their personal funds to augment resources for classroom instruction that benefit student achievement.

Cadillac Tax on Healthcare Plans for Teachers and Other School District Employees – Although the House and Senate versions of the Tax Cuts and Jobs Act do not address the "Cadillac Tax," this is an opportunity to urge that Congress address the issue, which would impose a fiscal burden on many school districts that do not have the resources to pay an excise tax on health care plans for teachers and other educators. Under the Affordable Care Act, this tax is scheduled to be collected in the year 2020 and would require employers to pay a 40 percent penalty on health insurance expenditures over \$10,200 for individual coverage and \$27,500 for family coverage.

Talking Point: While H.R. 1 does not currently include provisions that address the "Cadillac Tax," we urge you to modify conditions under which penalties may be imposed on school districts as employers for health insurance coverage that exceeds the price benchmark established by the Affordable Care Act (ACA), as there is bipartisan support to address this fiscal burden.

REGISTER TODAY! Join Your Fellow School Board Members on Capitol Hill!

NSBA's Advocacy Institute 2018 entitled, "***Elected. Engaged. Empowered: Representing the Voice in Public Education,***" will be held on February 4-6, 2018 at the Marriott Marquis in Washington, D.C. This conference will convene Members of Congress, national thought-leaders, state association executives and well-known political pundits to provide local school board members with an update on key policy and legal issues impacting public education, and tactics and strategies to enhance their ability to influence the policy-making process and national education debate during their year-round advocacy efforts.

SIX REASONS: Why should you attend the Advocacy Institute?

1. Champion the interests of our students and public schools with your Members of Congress.
2. Network with your fellow school board members to share best practices **to engage policy makers and impact the policymaking process.**
3. **Enhance your ability** to tell your story to influence the national education debate.
4. **Gain the perspective** of legal experts on key legal issues impacting your school districts.
5. Advocate to **keep public dollars in public schools.**
6. **Get insights** from Members of Congress, national thought-leaders, and well-known political pundits **to sharpen your strategy, tactics and messaging.**

Click [here](#) to register for the Advocacy Institute. The hotel block will close on Monday, January 15.

NSBA Offers Webinar Opportunity: *Advocacy Storytelling- Winning the Hearts, Minds, and VOTES of Lawmakers*

People have trouble remembering facts, but they never forget a good story. Effective advocacy appeals to the heart, the head, and political health of the legislator. Learn how to organize and present your stories exercising the tactics actors use. This presentation will include the seven key elements of public policy advocacy storytelling, and walks participants through an exercise to develop their own personal story to move the hearts, minds, and VOTES of lawmakers.

The webinar will be conducted by **[Bradford Fitch](#)**, President and CEO of CMF, and **[James Vaughn](#)**, Special Consultant for CMF.

Join the Congressional Management Foundation for this webinar on December 12, 2017 at 1:00 PM EST. [Register here!](#)