



## ***Tax Reform Passes Congress & Government Shutdown Avoided***

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The most impactful tax legislation in over three decades has been approved by Congress and sent to the President's desk for signature. House Resolution 1, or H.R. 1, significantly amends provisions from the Internal Revenue Code of 1986, dramatically reducing both the individual and corporate tax rates. According to the nonpartisan tax policy center, 80 percent of households will see a tax cut next year while 5 percent will pay more; while the corporate rate will drop to 21 percent, down from 35 percent. Most impactful though is the fact that these tax cuts are not paid for and the Congressional Budget office predicts it will add \$1.4 trillion to the national debt over the next decade.

The difference of opinions about H.R. 1 is severely partisan. And when you examine its impacts from a regional lens, the Northeast is pummeled by H.R. 1's category-five hurricane tax waves. It's not a surprise that you can count on one hand the number of Northeast members of Congress who supported the bill. While Republican leadership extolled the legislation as a "once in a generation opportunity," senior Democrats harangued the bill as a sham. "The worst piece of legislation in my 29 years in the House," said Ranking Member of the Ways & Means Committee, Rep. Richard Neal (MA-1). In the end, Senate Republicans passed the legislation by a party line vote of 52-48, with Senator Susan Collins of Maine the sole Northeasterner supporting the bill. The House of Representatives approved it 227-205, with 12 Republicans from New York, New Jersey, and California, joining all Democrats in opposition.

On December 21, Congress passed a short-term, spending bill to avoid a government shutdown. The bill, known as a continuing resolution, funds the government through January 19, 2017. The stopgap measure provides for only a couple weeks, and even less Congressional working days in January to hash out a long term funding bill.