



NATIONAL ASSOCIATION OF REGIONAL COUNCILS

TRANSPORTATION THURSDAYS

## CONGRESS BRIEF

### Tax Reform

By a 227-205 vote, the House passed the *Tax Cuts & Jobs Act* (H.R. 1) to overhaul the nation's individual and corporate tax laws. The Senate Finance Committee is currently marking up its own version of tax reform, which does not yet have a bill number, and could be voted on in committee as early as today. Majority Leader Mitch McConnell has indicated his intent to bring a bill to the floor just after Thanksgiving. House and Senate leaders have expressed optimism about finalizing a bill before the end of the year, though there is a long and treacherous path to completion.

Any tax package would have wide-ranging impacts on the nation's economy and budget situation, most of which would generally but not specifically impact the nation's transportation and infrastructure programs. However, there are a handful of provisions with more direct impact to pay attention to:

- **State and Local Tax (SALT) Deductibility**
  - House bill repeals the SALT deduction for income and sales tax for individuals, but maintains the property tax deduction, up to a cap of \$10k.
  - Senate bill fully repeals SALT deductibility.
  - Changes to SALT deductibility would not directly impact the availability of funding for local projects, but would create a downward pressure on local tax collections, which would have a direct impact.
- **Bonds**
  - House bill would repeal the tax-exempt status for private activity bonds, advance refunding bonds, and tax credit bonds.
  - Senate bill would repeal tax-exempt status for only advance refunding bonds.
  - Any combination of these would impact the ability to borrow for local projects.

**NARC recently expressed concern about these changes.**
- **Repatriation:** In the simplest terms, so-called "deemed repatriation" results in the taxing of overseas earnings of U.S. companies that are held offshore. It is estimated there is \$2 trillion or more of such earnings that could be taxed. Both the House and Senate bills contain provisions that would immediately tax these offshore earnings, but neither directly funnels the resulting tax collections to infrastructure projects, as some have proposed.
- **Infrastructure Package:** There was small hope among transportation stakeholders that the tax bill would be paired with the president's promised infrastructure package. Neither bill contains such a package, however, and there has been no indication that it is a possibility.
- **Gas Tax Increase:** Neither chamber contains an increase in the gasoline or diesel per-gallon fuel tax. While the administration expressed a possible willingness to increased infrastructure funding by implementing a seven-cent per gallon increase, Congress decided that the tax package is not the venue where that will occur. This could change, of course, but that seems like an unlikely outcome at this point.

### Talk of an Infrastructure Package Continues

Though it will not be included in the tax bill, House Republicans have said this week that the White House is working with lawmakers to craft the long-awaited infrastructure package. Officials

are ramping-up efforts in anticipation of Congress completing tax reform and then moving attention to an infrastructure plan. Additionally, White House Technology Policy Adviser **Reed Cordish revealed** at an Internet Association conference this week that the administration has a detailed, 70-page memo of infrastructure principles ready for Congress. The memo, however, has not been released and there is continuing uncertainty about the funding amounts and sources.

## ADMINISTRATION BRIEF

### **FHWA Publishes TPM Implementation Timeline**

FHWA published *Performance Measures & Asset Management Plan - Key Implementation Dates* on its **TPM website**. The timeline provides a compendium of key dates and actions required of FHWA, state DOTs, and MPOs to implement Transportation Performance Management (TPM). The timeline includes information on the Safety Measures; Pavement and Bridge Condition Measures; Performance of NHS, Freight, and CMAQ Measures; and the NHS Asset Management Plan.

### **USDOT Confirmations**

The **Senate this week confirmed Steven Bradbury** to serve as USDOT's chief legal advisor by a 50-47 vote. Senator John McCain (R-AZ) rallied against him due to his involvement in drafting torture memos during the George W. Bush administration, but did not persuade enough minds to swing the vote. Also **confirmed this week was Derek Kan** for undersecretary of transportation for policy, the number three spot at USDOT. Kan previously served as a policy advisor for Senate Majority Leader Mitch McConnell (R-KY) and general manager for Lyft. He was nominated in April, but the confirmation was held up by northeast lawmakers who wanted a promise of funding for the Gateway Program.

## REGIONS BRIEF

### **The Future of Equity in Cities**

The National League of Cities' latest report looks at several issues and challenges in infrastructure, public safety, and economic development. The infrastructure section looked at the 50 biggest cities' long-range transportation plans and municipal transportation plans and found that 38 percent of cities mention autonomous vehicles and 80 percent mention equity, among other statistics. The report also analyses how technology and transportation policy might look in 2030, and its intersection with equity. It predicts ubiquitous autonomous technology, which might affect jobs and using mileage based user fees to fund roadways, placing an unfair burden on low-income drivers. The report also explores similar topics in technology around public safety and economic development.

### **Broward MPO's 40th Anniversary Event**

Happy 40th Anniversary to the Broward MPO in Fort Lauderdale, Florida! Their November 9 *State of Our Transportation System* event featured presentations on the transportation issues facing Broward and Southeast Florida, as well as a discussion of the future of transportation in its region. Its webpage includes presentations from the event, a 40th Anniversary Flipbook, and videos of congratulatory messages from their elected leaders in Washington and Florida.

## JOBS

***View full list of jobs!***

### **Executive Director**

Berkshire Regional Planning Commission, Pittsfield, MA

### **Senior Planner**

Atlanta Regional Commission, Atlanta, GA

### **Director, Transportation Planning and Operations**

Denver Regional Council of Governments, Denver, CO

### **Senior Planner (Ped/Bike Coordinator)**

Palm Beach Metropolitan Planning Organization, West Palm Beach, FL

## OPPORTUNITIES

*View full list of grants and events!*

### **TAM Internal Coordination**

November 30, 2:00 – 3:00 PM ET

Learn how each agency supports TAM through informal and formal staff coordination, and how they gained support for TAM from their executives and boards. This webinar is part of a larger webinar series FTA is hosting in 2017 to address important topics relating to TAM. TAM is an essential practice for providing safer, more reliable transit service nationwide while helping lower operating costs.

### **Introducing FTA's Strategic Transit Automation Research (STAR) Plan**

December 5, 1:00 – 2:30 PM ET

Automation technology is rapidly advancing and has the potential to transform the transportation system. To help position the public transportation industry to implement and benefit from these technologies, FTA developed a five-year research agenda to move the industry forward and address critical questions: What are the transit bus automation use cases? What are the potential benefits of automation for bus transit? What are the risks and challenges? Which technologies are already available, and which are still emerging? What capabilities need to be developed and tested? How can transit agencies get started? FTA will present a framework for research, demonstrations, and strategic partnerships needed to advance transit bus automation.

### **BATIC Institute Webinar: Bundling Small-Scale Projects: P3 Opportunities and Challenges**

December 6, 1:00 – 2:00 PM ET

Explore innovative and accessible ways transportation agencies can partner with the private sector on smaller-scale projects by bundling assets and standardizing procurements. The webinar will look beyond the traditional example of a toll road P3 and explain different opportunities for using private sector expertise and financing to deliver new capital investments.

### ***The New Localism: How Cities Can Thrive in the Age of Populism***

Webcast: December 6, 10:00 – 11:30 AM ET

In this new book, urban experts Bruce Katz and Jeremy Nowak reveal where the real power to create change lies and how it can be used to address our most serious social, economic, and environmental challenges. Katz and Nowak tell stories of cities on the vanguard of problem solving. Out of these stories emerge new norms of growth, governance, and finance – and a path toward a more prosperous, sustainable, and inclusive society. The authors imagine a world in which urban institutions finance the future through smart investments in innovation, infrastructure and children and urban intermediaries take solutions created in one city and adapt and tailor them to other cities with speed and precision. This event will include a discussion of this new book with time for Q&A.

## CONTACT US