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# *SBLC REPORT*

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## **NO GRAND DEAL**

Congress has temporarily averted the twin crises of the shutdown and debt ceiling defaults.

There is no “grand deal” for tax reform and entitlement reform. But it appears to us there is a slight possibility for some expedited consideration of tax reform.

We haven’t seen anybody else utter the word “reconciliation” yet so maybe we are wrong.

Our ray of hope rests on the fact that the deal reached directs the budget committees of the House and Senate to convene to see if they can come up with a conference agreement to resolve differences between the two budgets passed by the Chambers earlier this year. (The direction to convene the conference committee is not part of the legislation they passed but separate actions.) You may recall from previous SBLC Reports that the government can function without passage of a budget resolution by Congresses. And you may also recall, budget resolutions do not go to the President for signature. The congressional committees used previously adopted numbers if a resolution is passed when they do their work on appropriations and revenues.

But if they do pass a resolution, it can include reconciliation instructions that allow, in the case of tax reform, the Finance and Ways and Means Committees to develop actions that meet the reconciliation instructions.

The interesting thing about reconciliation is that the main advantage is an expedited procedure in the Senate that avoids filibusters.

Now there is nothing in the deal passed that talks about tax reform and at least most of the talk in Washington about the budget conference committee is that they will focus on spending and probably dealing with the uneven effects of sequestration. But for the moment, we will keep the glimmer for tax reform flickering.

Either way we should know by December 13<sup>th</sup>, the date set for the conference committee to try to report on a single budget resolution.

And we also get to do this again in January when the continuing resolution expires or February when the debt ceiling expires so there are those possibilities too.