



Dbriefs U

Supplemental Material

The Tax Legislative Process in an Era of Debt, Deficits, and Divided Government

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About the Supplemental Material

Each Dbriefs U webcast is accompanied by teaching material including discussion or homework questions, a learning activity, and related resources. Visit the Dbriefs U Faculty Resources Web site to download this material. For access to the site and more information, contact dbriefsu@deloitte.com.

To request the solutions for this material, email dbriefsu@deloitte.com.

Discussion/Homework Questions

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Discuss the significance of 60 votes in the Senate.

What are the advantages and disadvantages of using the reconciliation process?

When one thinks about key components of tax policy, demographics rarely come to mind. What are some of the ways that looming demographic changes could affect tax policy?

Do you think that changes in the tax system will create challenges or opportunities for new/aspiring tax professionals?

Activities

To request the solutions for this material, email dbriefsu@deloitte.com.

Overview

Case Study: Preparing to Lobby Congress on a Tax Issue

Length: 30-45 minutes

Type: Team activity

Materials: Activity sheet and solution

Learning Objectives: Analyze the relationships a company has that can help with a lobbying project; think through and demonstrate knowledge of the alternative ways to change tax policy.

Case Study: New Tax and Alternative Tax Systems

Length: Varies between 1-4 hours, depending on version of the activity the instructor selects

Type: Individual or Team activity

Materials: Activity sheet and solution

Learning Objectives: Provide students with an opportunity to connect the skills that they have learned in this presentation to research and draft either a research memo or presentation outlining the strengths and weaknesses of recent-year proposals to consider new taxes or an alternative tax system to bridge the fiscal gap.

Activities

Case Study: Preparing to Lobby Congress on a Tax Issue

Assume that you are the new tax director of a major renewable energy company that has never lobbied Congress before. Your boss, the chief financial officer (CFO), comes to you and provides you with the following information:

The company's application for the 30 percent advanced energy project credit under section 48C was accepted in 2009 to build new wind turbines. The \$2.3 billion in allocated funds to the program have all been distributed. The White House and Congressional leaders have recently been advocating for enacting additional funds for the program.

An additional credit for new projects is important to the CFO's long-term planning and the uncertain nature of the allocated funds is resulting in lost tax planning opportunities.

1. What questions should you be asking about your company in order to determine next steps for lobbying Congress on this issue?
2. Given what you've learned about the tax legislative process, what might be some alternatives you could suggest to your CFO to address this situation.

Case Study: New Taxes and Alternative Tax Systems

Using the publication "The Gathering Storm: Tax & Spending Implications of the Federal Deficit Crisis" (February 9, 2011)" identify the new taxes and alternative tax systems most commonly suggested by budget reformers. Be sure to discuss the advantages and disadvantages of each.

Related Resources

To access these materials, visit www.deloitte.com/us/dbriefsu.

Birnbaum, Jeffrey and Alan S. Murray (1988). *Showdown at Gucci Gulch: Lawmakers, Lobbyists, and the Unlikely Triumph of Tax Reform*. New York: Vintage Books.

Congressional Budget Office (June 2011). *CBO's 2011 Long-Term Budget Outlook*.
<http://www.cbo.gov/doc.cfm?index=12212>

Congressional Budget Office (Dec. 2005). *Global Population Aging in the 21st Century and its Economic Implications*. <http://www.cbo.gov/ftpdocs/69xx/doc6952/12-12-Global.pdf>

Deloitte Tax (February 2011). *The Gathering Storm: Tax & Spending Implications of the Federal Deficit Crisis*.
http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/Tax/us_tax_thegatheringstorm_deficit_publication_021711.pdf

Keith, Robert (March 2008). *The Budget Reconciliation Process: The Senate's "Byrd Rule."* Congressional Research Service. <http://budget.house.gov/crs-reports/RL30862.pdf>

Kleinbard, Edward D. (January 2008). *Inside the Revenue Estimating Process*. Joint Committee on Taxation.
www.house.gov/jct/Inside_Revenue_Estimating.pdf

Organization for Economic Co-operation and Development (July 2008). *Tax and Economic Growth*. [http://www.oecd.org/olis/2008doc.nsf/linkto/eco-wkp\(2008\)28](http://www.oecd.org/olis/2008doc.nsf/linkto/eco-wkp(2008)28)

Pierson, Paul and Theda Skocpol, eds. (2007). *The Transformation of American Politics: Activist Government and the Rise of Conservatism*. Princeton: Princeton UP.

President's Advisory Panel on Tax Reform (November 2005). *Simple, Fair, and Pro-Growth: Proposals to Fix America's Tax System*. <http://www.taxreformpanel.gov/final-report>

Rawls, W. Lee (2009). *In Praise of Deadlock: How Partisan Struggles Make Better Laws*. Baltimore: Johns Hopkins UP.

The National Commission on Fiscal Responsibility and Reform (December 2010). *The Moment of Truth*.
http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomentofTruth12_1_2010.pdf

U.S. Department of the Treasury, Office of Tax Policy (December 2007). *Approaches to Improve the Competitiveness of the U.S. Business Tax System for the 21st Century*.
http://www.ustreas.gov/press/releases/reports/hp749_approachesstudy.pdf

Commonly Used Electronic Tax Research Resources

Commercial Tax Publishers

LexisNexis	http://www.lexisnexis.com
Bureau of National Affairs (BNA)	http://www.bna.com
CCH	http://www.cch.com
RIA	http://ria.thomson.com
Tax Analysts	www.taxanalysts.com
Westlaw	http://web2.westlaw.com

Legislative Resources and Taxwriting Committees:

House Ways and Means Committee	http://waysandmeans.house.gov/
Senate Finance Committee	http://www.senate.gov/~finance/
Joint Committee on Taxation	http://www.house.gov/jct/
Library of Congress (Thomas)	http://thomas.loc.gov/

Agencies:

U.S. Department of Treasury	http://www.ustreas.gov/
Office of Tax Policy, Department of Treasury	www.ustreas.gov/offices/tax-policy
Internal Revenue Service (IRS)	http://www.irs.gov/
Congressional Budget Office (CBO)	http://www.cbo.gov/
Office of Management and Budget (OMB)	http://www.whitehouse.gov/omb/
General Accounting Office (GAO)	http://www.gao.gov/
Government Printing Office (GPO)	http://www.gpo.gov/

Professional Resources

Professional Associations:

ABA (Tax Section)	http://www.abanet.org/tax/pubs/ttl
AICPA	http://www.aicpa.org
NY Bar (Tax Section)	http://www.nysba.org

Think Tanks:

American Enterprise Institute	http://www.aei.org
Bipartisan Policy Center	www.bipartisanpolicy.org
Brookings Institution	http://www.brookings.edu
The Cato Institute	http://www.cato.org
The Center for American Progress	www.americanprogress.org
The Committee for a Responsible Federal Budget	www.crfb.org
Economic Policy Institute	http://www.epinet.org
The Heritage Foundation	http://www.heritage.org
Hoover Institution	http://www-hoover.stanford.edu
National Taxpayers Union	http://www.ntu.org/main
Tax Policy Center	http://taxpolicycenter.org
Urban Institute	http://www.urban.org

Webcast Poll Questions

To request the solutions for this material, email dbriefsu@deloitte.com.

Question

Does tax legislation always originate in the House of Representatives?

- Yes
- No
- Both yes and no

Question

What law established the budget process in use by Congress today?

- The Budget and Accounting Act of 1921
- The Congressional Budget and Impoundment Control Act of 1974
- The Tax Reform Act of 1986
- The Budget Enforcement Act of 1990

Question

Prior to President Obama, who was the last sitting Senator to be elected President of the United States?

- Howard Taft
- Woodrow Wilson
- Lyndon B. Johnson
- John F. Kennedy
- Teddy Roosevelt

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