



The Daily Dish

Tax Reform Meets the Campaign

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A new report released [Wednesday](#) shows that existing home sales in January rose to their highest rate in a decade. According to the National Association of Realtors (NAR) existing home sales hit an annual rate of 5.69 million in January, which was 3.3 percent higher than December.

Yesterday the [American Action Forum](#) released a new analysis examining the consequences of the Fiduciary Rule. President Trump sent a memo calling on the Department of Labor to review the rule and the effects of its implementation. The AAF analysis finds that in 2016 the Fiduciary Rule resulted in reported compliance costs totaling at least \$106 million despite being less than a year old. The rule has affected 92,000 advisers and 2.3 million consumers.

Eakinomics: Tax Reform Meets the Campaign

Republicans are (rightly) ecstatic at the prospects of pro-growth tax reform and terrified at the difficulty of getting it over the finish line. To date, the focus has been on the House [Blueprint](#) and, in particular, the switch to a cash-flow tax with [border adjustment](#). There has been almost complete silence on the nature of individual income tax reform. This is a bit surprising, given that the president advocated forcefully for [tax-based subsidies for child care costs](#).

President Trump's advocacy for subsidies to child care costs and [family leave](#) were a significant pivot in the campaign. To date, however, these proposals have been absent in discussions on tax reform and entitlement reform. There is certainly room for tax-based child care policies in the House blueprint, as Chairman Brady has regularly advocated that additional tax expenditures can be accommodated as long as the remainder are cut back. The resolution will likely be dictated by the prominence of child care in the administration budget proposals expected in mid-March.

Paid family leave is another matter entirely. Democrats have favored welfare-state style proposals that feature a universal entitlement to long spans of paid leave. It is entirely possible to structure a disciplined family leave program targeted on [lower income](#) workers. The difficulty for the Trump Administration is to get past conservatives in Congress an increase for a new entitlement without a reform of existing ones.

Tax and entitlement reform have been at the heart of conservative policy agendas for a decade. Oddly enough, the insurgent Trump presidency may bring both to the fore.