

The Washington Report

Special Edition

This Washington Report is prepared exclusively for Finseca Influencer members by Melissa Bova, Senior Vice President of Public Policy & State Affairs at Finseca and Marc Cadin, CEO at Finseca.

Ways & Means Mark-Up Released: What to Expect Moving Forward

On May 9, the House Ways & Means Committee released a 28-page “[pre-markup](#)” of the tax extension package. Yesterday, the [full legislative](#) text followed—completing the package set for Committee consideration today at 2:30 p.m.

This package reflects the strong, coordinated advocacy of Finseca’s tax campaign sponsors, ambassadors, and team - ensuring the profession’s voice was heard.

- No new taxes on life insurance companies.
- No new limitations on Corporate State and Local Tax Deduction.
- No new taxes on life insurance products (Corporate Owned or Private Placement Life Insurance) or markets (non-qualified deferred compensation).
- Maintains current individual tax brackets and income thresholds.
- The Section 199(A) qualified business income deduction has been made permanent, and the deduction increased from 20% to 23%.
- Permanently extends the doubles estate tax exemption, increasing the individual exemption to \$15 million, signaling the importance of providing stability and certainty rather than include estate tax repeal.
- Priorities for the Trump Administration were also included such as 4-year no tax on tips (unlimited deduction, not available to highly compensated \$160K+), overtime, and car loan interest.
- Enhanced standard deduction for seniors of \$4,000.

There are several factors that will determine timing and details as the package moves forward.

LONG-STORY SHORT

The Joint Committee on Taxation (JCT) also [released](#) its budgetary estimate for the tax bill from the Ways and Means Committee. The estimate indicates that the proposed tax, as currently written, aligns with the budgetary target of \$4 trillion in tax cuts and \$1.5 trillion in spending.

Our [Advanced Markets](#) conference in Washington, D.C. is exceptionally well timed — we expect this tax bill to be front and center throughout, including exclusive presentations from senior officials at the White House and Treasury Department. [Be sure to register today!](#)

DETAILS, DETAILS, DETAILS...

How Much Will It Cost:

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Energy & Commerce:

While the Ways & Means Committee was assigned the task of extending the Tax Cuts and Jobs Act (TCJA) and developing language around other Administration priorities, the Energy and Commerce Committee is charged with finding \$880 billion in spending cuts, which could include significant reductions to Medicaid funding. The Energy and Commerce Committee is scheduled to consider their legislation beginning at 2:30 pm today, the same time as the Ways & Means Committee markup.

The X Date:

On May 9, Treasury Secretary Bessent sent a [letter](#) to Congress stating that extraordinary measures could run out mid-August, requiring the debt limit to be raised by the end of July. With that deadline in focus, Congress is working to finalize the package—including a debt ceiling increase—before the August recess. Congressional leaders, however, are aiming for an earlier finish to allow for a July 4 signing ceremony.

State and Local Tax Deduction Cap

While many provisions of the TCJA are made permanent and includes priorities of the Trump Administration, the state and local tax (SALT) deduction has been increased to a \$30,000 cap (rather than the \$10,000 cap that exists in current law). Based on public statements of numerous Republicans, this appears to be insufficient to secure their support when the Bill comes to the House floor.

WHAT'S NEXT?

There are several steps remaining in the process:

- The Ways and Means, along with Energy and Commerce, and Agriculture Committees will consider their portions of the overall legislation this week.
- After those Committees pass their legislation, then all of the bills from the 11 different House Committees will go to the House Budget Committee, where they will be combined into One, Big, Beautiful Bill.



- The next step is for that Bill to go to the Rules Committee, where it is possible, even likely, that a Manager's Amendment will be adopted with changes made to the Bill to secure the necessary votes for it to be passed by the full House of Representatives.
- Once the House passes the bill, it will move to the Senate and the process will begin anew. The Senate Committees, including the Finance Committee, will complete their work, and then the various Committee Bills will be combined into one bill prior to consideration by the full U.S. Senate. It will only require 50 Republican votes in the Senate (plus the Vice President's tie-breaking vote) for passage. It should be noted that the Senate has different rules that it must comply with, as set by the 1974 Congressional Budget Act.

HOW ARE THE SENATE RULES DIFFERENT?

The Senate must adhere to the Byrd Rule, which restricts extraneous provisions in a reconciliation bill. Notably, it requires that tax provisions sunset if they cause significant revenue loss beyond the 10-year budget window. It remains to be seen how the Senate's interest in using a current policy baseline will affect its ability to make these provisions permanent.

Reconciliation allows the legislation to pass with a simple majority, limits debate to a maximum of 20 hours and prohibits use of a filibuster. It also requires that any amendments and policy measures must be directly related to the budget. This rule applies during the entire Senate process.

Still, even with the Byrd Rule in effect, the Senate follows a legislative path similar to the House—committee review, consolidation into a single package, floor passage, and then returning the proposal to the House for final consideration.

If the House and Senate versions differ, the package will go to informal conference, as it did in 2017.

As noted earlier, all steps must be completed before the end of July to ensure the debt ceiling is raised before the projected "X date." This remains the firm deadline for final passage.

