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SENATE TO VOTE ON OBAMACARE REPEAL NEXT WEEK

Senate Majority Leader Mitch McConnell (R-KY) has announced that the Senate will hold a vote on the Graham-Cassidy-Heller-Johnson (GCHJ) bill sometime next week via the budget reconciliation process, therefore, allowing the Obamacare repeal bill to pass by a simple majority without the threat of a Democratic filibuster. Their 140-page bill, H.R. 1628, would repeal the structure of Obamacare and replace it with annual block grants given to states to help individuals pay for health care.

Specifically, the Graham-Cassidy-Heller-Johnson (GCHJ) bill: Repeals Obamacare individual and employer mandates; Repeals the Obamacare medical device tax; Strengthens the ability for states to waive Obamacare regulations; Returns power to the states and patients by equalizing the treatment between Medicaid expansion and non-expansion states through an equitable block grant distribution; Protects patients with pre-existing medical conditions; and Eliminates the inequity of three states receiving 37 percent of Obamacare funds and brings all states to funding parity by 2026.

It is still unclear whether the bill has the votes (51) in the Senate to pass. As with the previous health care vote, all eyes will be focused on the votes of Sens. John McCain (R-AZ), Lisa Murkowski (R-AK), and Susan Collins (R-ME).

PMAA SENDS LETTER TO SENATE AND HOUSE LEADERSHIP OPPOSING THE DEATH TAX

Last week, PMAA signed onto a letter organized by the Family Business Coalition (FBC) that was sent to the Congressional members that are part of the "Big Six" group of Trump Administration and Congressional Republican negotiators, including Senate Majority Leader Mitch McConnell (R-KY), Speaker of the House Paul Ryan (R-WI), Senate Finance Committee Chairman Orrin Hatch (R-UT) and House Ways and Means Committee Chairman Kevin Brady (R-TX). In the letter, the FBC and PMAA call for the estate tax, otherwise known as the death tax, to be repealed in tax reform.

The groups argue that getting rid of the tax will spur the economy, while also making the case that it's so small that it provides just a sliver of federal revenue. The groups also note that a super-majority of likely voters oppose the death tax and would like to see it repealed, and say that the tax is unfair.

On September 18, the Treasury Department will make their final recommendation on Section 2704 estate and gift tax regulations. In accordance with Executive Order 13789, the Treasury Department will issue their final recommendations on "specific actions to mitigate the burden imposed by regulations identified in the interim report."

Meanwhile, PMAA continues to urge Congress not to repeal the step-up in basis. Under the current law, family members who inherit a business take the business at its value as of the date of the original owner's death. However, if the step-up in basis were eliminated, the family members would be required to pay capital gains taxes on the original owners' gains in the business. In short, rather than bequeathing his or her descendants a legacy, a successful small business owner who grew his or her business from scratch, would be bequeathing his or her descendants a large tax burden, which many families may be unable to pay without selling the business. There is absolutely no reason for the repeal of the estate tax and the repeal of the step-up in basis to go hand in hand.

PMAA urges Congress to reject any proposal to eliminate the step-up in basis as doing so would be extremely detrimental to a large number of America's small businesses.

SENATE HOLDS HEARING ON TAX REFORM FOR BUSINESSES

On Tuesday, the Senate Finance Committee held a hearing regarding tax reform for businesses. The hearing focused on discussion of the effects of a large, deficit-financed tax cut that some Republicans want to facilitate through reconciliation instructions in the FY 2018 budget resolution. The hearing was held prior to next week's release of a tax reform outline by the "Big Six" group of Trump Administration and congressional Republican negotiators, which Senate Finance Committee Chairman Orrin Hatch (R-UT) previously said would not determine the Committee's work on tax reform.

In the hearing, Hatch stated that the Committee will consider tax reform through regular order, which applies to the drafting and reporting of any tax reform bills, and that he hopes the process will be bipartisan. There are many areas of business tax reform where thoughts and interests of both Democrats and Republicans overlap, Hatch said, and "there is fertile ground for bipartisan agreement on this." Hatch said the U.S. statutory and effective tax rates are high relative to other nations, stating that "according to a recent analysis by Ernst and Young, when you integrate corporate-level taxes and investor-level taxes such as those on dividends and capital gains, U.S. tax rates are the second highest among developed countries," he said. "That last one is important, given that the United States taxes most corporate earnings that are distributed to shareholders twice — both at the corporate and shareholder levels."

Witnesses at the hearing included Scott A. Hodge (President, Tax Foundation), Donald B. Marron (Institute Fellow, Urban Institute & Urban-Brookings Tax Policy Center), Troy K. Lewis (American Institute of CPAs) and Jeffrey D. DeBoer (President and Chief Executive Officer, The Real Estate Roundtable). Hodge listed four priorities for business tax reform: full expensing; a competitive corporate tax rate such as 20 percent; moving to a territorial system; and making all such changes permanent. Marron said because "the boost to near-term growth may be modest," dynamic scoring by the Joint Committee on Taxation will "play only a small role in paying for tax reform." Lewis recommended codifying traditional definitions of "reasonable compensation" to address the distinction between profits of the business and compensation of owner-operators under a lower pass-through rate. Lastly, DeBoer said the deductibility of business interest should not be repealed or limited, and that expensing should not apply to buildings.

It remains to be seen if, and when, a tax reform package will come to the floors of the House and Senate for votes. In order to proceed to tax reform, Congress must first pass a budget. As House and Senate Republicans continue to discuss tax reform, disagreements continue within the party as to whether the House and Senate budget resolutions demand the reforms to be deficit neutral or allow for revenue losses.

NEW WOTUS RULE TO BE PROPOSED NEXT YEAR

Earlier this week, while speaking at the Concordia Annual Summit in New York, EPA Administrator Scott Pruitt said a new version of the Waters of the U.S. (WOTUS) rule will now not likely come until the first quarter of 2018. Last month, Pruitt stated that he expected the proposed rewrite of the rule to be unveiled by the end of 2017.

The rule is important to petroleum marketers because it defines how far federal clean water regulations extend into local land use and permitting decisions including the construction of new gasoline stations and surface water runoff from parking and fueling areas. EPA is also working to repeal the Obama administration's 2015 WOTUS rule that could adversely affect many petroleum marketers with bulk storage.

Last month, the EPA extended the public comment period for commenting on its efforts to repeal the rule by one month, until September 27.

INTERSTATE HOS WAIVER EXTENDED THROUGH END OF DISASTER OR OCTOBER 5

The Federal Motor Carrier Safety Administration (FMCSA) has extended the regional CDL driver Hours of Service (HOS) waiver through October 5, 2017. The original HOS waiver obtained by PMAA on August 31 was set to expire on September 30.

The latest HOS extension, like the original waiver, applies to interstate drivers only. Intrastate HOS extensions must be obtained through governors offices on the state level.

The interstate extension applies to the following states:

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, MAINE, MARYLAND, MASSACHUSETTS, MISSISSIPPI, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, WEST VIRGINIA, COMMONWEALTH OF PUERTO RICO AND THE TERRITORY OF THE U.S. VIRGIN ISLANDS.

The interstate HOS waiver extension is effective immediately and shall remain in effect for the duration of the emergency or until 11:59 P.M. (ET), October 5, 2017, whichever is less.

HOUSE UNLIKELY TO MOVE ENERGY BILL UNTIL NEXT SPRING

According to House Republican aides, many House Republicans believe the bipartisan energy bill introduced by Sen. Lisa Murkowski in June is "too moderate" and will likely not be considered by the House until next spring at the earliest. According to the sources, House Republicans want to see language that strips the Department of Energy (DOE) of its authority in approving LNG export projects in any energy bill package. The sources added that inserting language similar to bills introduced by Sens. Ted Cruz (R-TX) and Bill Cassidy (R-LA) in June, which would require the DOE to automatically approve LNG export applications to any country that is not on a U.S. sanctions list, would significantly help the bill's chances of being passed in the House.

Sen. Murkowski's bill is very similar to the energy bill that passed in the Senate last year. S. 1460, known as the "Energy and Natural Resources Act of 2017," contains provisions that would improve electric reliability and energy efficiency; promote the development of hydropower, geothermal, and methane hydrates; enhance cyber security efforts; bolster mineral security; and repeals a range of obsolete authorities currently within the U.S. Code.

The bill would require the DOE to approve or deny the use and operation of an LNG export facility no later than 45 days after an environmental review is conducted by the Federal Energy Regulatory Commission (FERC). It would also require the DOE to gather and distribute data on the destinations of LNG exports. However, the bill would also streamline the coordination between federal agencies when reviewing a natural gas pipeline application.

BOOK YOUR ROOM NOW FOR THE 2018 WPMAEXPO

Our hotel block for the 2018 WPMAEXPO is open and available at \$149/night until November 16, 2017.

You have two ways to book rooms:

- Through our website here: <http://www.wpma.com/national-convention/hotel>
- Or call The Mirage directly at 800-627-6667 using WPM18A for the early bird rate.

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PLAN TO ATTEND THE 2018 WPMAEXPO

WPMA EXPO

Mark your calendars for February 20-22, 2018. Make plans now to attend the 2018 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

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MARK YOUR CALENDARS FOR UPCOMING EVENTS

October 5, 2017 – Hawaii (HPMA) Golf Tournament – The King Kamehameha GC, Wailuku, Hawaii

February 20-22, 2018 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada

June 5-7, 2018 – MPMCSA Convention & Expo – Fairmont, MT

June 18-21, 2018 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

August 8-10, 2018 – Idaho (IPM&CSA) Convention – Coeur d'Alene Resort – Coeur d'Alene, Idaho

August 20-22, 2018 – New Mexico (NMPMA) Convention – Sandia Resort & Casino, Albuquerque, NM

September 12-14, 2018 – Utah (UPMRA) Convention – Doubletree by Hilton, Park City, UT

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Petro Pete: "Money can't buy happiness, but it sure makes misery easier to live with."

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