



April 4, 2019

# House Ways and Means Advances Three Bills

## Committee Unanimously Passes Retirement, Tax Administration and Reemployment Services Legislation

On April 2, the House Ways and Means Committee convened to markup retirement, tax administration and reemployment services legislation. The following bills were considered:

- [\*Building on Reemployment Improvements to Deliver Good Employment for Workers \(BRIDGE for Workers\) Act \(H.R.1759\)\*](#)
- [\*Setting Every Community Up for Retirement Enhancement \(SECURE\) Act \(H.R.1994\)\*](#)
- [\*Taxpayer First Act \(H.R.1957\)\*](#)

The committee unanimously passed all three bills, recommending them for full House consideration. The bills are expected to be voted on by the House next week.

Committee Chair Richie Neal (D-MA) also announced he and Ranking Member Kevin Brady (R-TX) are drafting additional retirement legislation to close the coverage gap, simplify the retirement system and help Americans preserve their assets during retirement. He hopes to markup the legislation prior to the August recess.

Below is a brief summary of the legislation considered, as well as any amendments offered during the markup:

**APPROVED: *Building on Reemployment Improvements to Deliver Good Employment for Workers (BRIDGE for Workers) Act (H.R.1759)* – [Rep. Stephanie Murphy, D-FL]**

The *BRIDGE for Workers Act* would amend title III of the Social Security Act to extend reemployment services and eligibility assessments to all claimants for unemployment compensation. The bill would modify Section 306(a) of the Social Security Act to insert a broader definition of unemployment insurance recipients who can be eligible for service funded by Reemployment Services and Eligibility Assessment grants (RESEAs).

Rep. Stephanie Murphy (D-FL) explained that the Department of Labor provides annual grants to states for unemployment benefits, and under current law, states can only use the grants to help workers expected to exhaust their benefits before finding work. The *BRIDGE for Workers Act* would remove this restriction, allowing more workers to receive these reemployment benefits.

Ranking Member Kevin Brady (R-TX) supported the underlying bill but expressed disappointment that Section 703 of the *Violence Against Women Act (VAWA)*—which makes permanent program changes with mandatory spending

costs and mends the Temporary Assistance for Needy Families program—would not be considered during the markup.

This bill has broad bipartisan and bicameral support.

An [amendment in the nature of a substitute](#) was offered by Chair Neal to change the long title of the bill: “To amend title III of the Social Security Act to extend reemployment services and eligibility assessments to all claimants for unemployment benefits, and for other purposes.”

The amendment was adopted.

No other amendments were offered. The *BRIDGE Act for Workers*, as amended, was approved by voice vote.

**APPROVED: *Setting Every Community Up for Retirement Enhancement (SECURE) Act (H.R.1994)* – [Rep. Richard Neal, D-MA]**

The *SECURE Act* would allow taxpayers to more easily move from one retirement plan to another and offer a tax credit to small businesses that automatically enroll employees in retirement plans. Among other things, it would simplify the filing process for small businesses, provide tax benefits for volunteer firefighters and emergency responders, provide new tax credits for small business automatic enrollment, allow long-time part-time workers to participate in 401(k) plans, provide pension funding relief to community newspapers, allow home health care workers to contribute to individual retirement accounts and fix a nondiscrimination rule pertaining to older workers.

Ranking Member Brady expressed support for the bill, despite the omission of a Universal Savings Account provision. Brady praised the bill’s elimination of the Individual Retirement Account contribution age limit and the increase in the age of required distribution. He also highlighted the bill’s expansion of Section 529 qualified tuition programs.

Two of the committee’s new Republican members, Reps. Drew Ferguson (R-GA) and Jodey Arrington (R-TX), expressed opposition to the community newspaper provision. Ferguson argued that Internal Revenue Service (IRS) data protection practices would make it difficult to determine the ultimate beneficiaries of this provision, and Arrington said it would put employees at risk by providing a pass to companies that go back on their promises.

This bill has broad bipartisan and bicameral support.

Chair Neal offered an [amendment in the nature of a substitute](#), inserting a provision on multiple and pooled employer plans, with subsections detailing qualification requirements, limitations and guidance for these plans. The amendment also modified the Pension Benefit Guaranty Corporation (PBGC) premiums for Cooperative and Cooperative and Small Employer Charity (CSEC) plans. The amendment was adopted.

Prior to the markup, the JCT released an [explanation of the amendment](#) and its [estimated revenue effects](#).

No other amendments were offered. The *SECURE Act*, as amended, was approved by voice vote.

**APPROVED: *Taxpayer First Act (H.R.1957)* – [Rep. John Lewis, D-GA]**

The *Taxpayer First Act* would provide a matching grant for the Volunteer Income Tax Assistance (VITA) program, which helps low-income and disabled taxpayers complete their taxes. The bill would also redesign the IRS to improve the agency’s IT capabilities, including its cybersecurity resilience. It would establish an independent appeals process, require the IRS to develop a comprehensive plan to improve customer service, automate the Income Verification Express System (IVES), and make it easier for taxpayers to submit electronic tax returns.

Reps. Danny Davis (D-IL) and Brad Wenstrup (R-OH) discussed the VITA program. Davis highlighted the Treasury Secretary's expanded ability to appropriate up to \$30 million annually for VITA, and Wenstrup emphasized benefits of codifying the program.

This bill has broad bipartisan and bicameral support.

An **amendment in the nature of a substitute** was offered by Chair Neal that would require an underlying crime be identified in order to seize assets. In case of a wrongful seizure, the interest paid on those funds would be tax-free. The legislation creates an Independent Office of Appeals and requires the IRS Commissioner to deliver an annual report to Congress on any denials under the appeal process. Within one year of enactment, the IRS Commissioner would be required to submit a plan to enhance customer service and revise its personnel training strategy. The amendment was adopted.

Prior to the markup, the JCT released an **explanation of the amendment** and its **estimated revenue effects**.

No other amendments were offered. The Taxpayer First Act, as amended, was approved by voice vote.

**To access explanatory documents from the JCT and the House Ways and Means Committee, please see the links below:**

- ***Building on Reemployment Improvements to Deliver Good Employment for Workers (BRIDGE for Workers) Act (H.R.1759)***
  - **Committee Section-by-section**
  
- ***Setting Every Community Up for Retirement Enhancement (SECURE) Act (H.R.1994)***
  - **JCT Bill Description**
  - **JCT Estimated Revenue Effects**
  - **Committee Section-by-section**
  
- ***Taxpayer First Act (H.R.1957)***
  - **JCT Bill Description**
  - **JCT Estimated Revenue Effects**
  - **Committee Bill Summary**
  - **Committee Bill One-pager**
  - **Committee Section-by-section**

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