

#### Greetings!

With the new calendar year upon us, NCRA is excited to bring you this first government update of 2018. This issue focuses on the GOP tax plan, our legislative report, why PAC matters, a new PAC fundraiser, and NCRA's annual Legislative Boot Camp.

## State of the Nation



# Update on the GOP tax plan: What's in it, and how does it affect me?

In the Dec. 13, 2017, issue of the *JCR Weekly*, NCRA's Government Relations Department analyzed the tax reform legislation making its way through Congress. Since then, Congress passed its comprehensive tax reform package just before the end of the year. This update covers the final form of the legislation and how it

will affect your wallets in the years to come.

In the past 31 years, Congress has tinkered with and tweaked small components of the overall tax code but has failed to achieve comprehensive reform. With the passage of the Tax Cuts and Jobs Act, the Republican-led Congress has achieved one of its most coveted agenda items.

The final version of the bill, signed by President Donald Trump, reduces individual tax rates across all seven brackets, reductions that expire after the year 2025. The highest tax rate is reduced from 39.6 percent to 37 percent, and the threshold at which the top rate kicks in is raised to \$500,000 for individuals and \$600,000 for married couples. This change brings significant tax breaks to wealthy taxpayers. The standard deduction is nearly doubled to \$12,000, and personal exemptions are eliminated. Many other itemized deductions are affected by this legislation as well. State and local tax deductions are limited to \$10,000, and medical expense deductions have been expanded by reducing the threshold to 7.5 percent of annual income. This deduction will be particularly important for low-income families with large medical expenses. Also, the new law doubles the child tax credit to \$2,000, and it has a larger refundable portion that would allow more lower-income families to benefit. Benefits to middle-class Americans have been preserved in the bill, such as the student loan interest deduction and graduate student tuition waivers. This bill doesn't make changes to retirement accounts like 401(k) plans.

Concerning corporate taxes, the new law lowers the top corporate tax rate from 35 percent to 21 percent. This is the largest tax cut in the bill, the largest corporate tax rate cut in U.S. history, and the permanent rate of taxation for corporations. Business interest deductions would be capped at 30 percent of

income. Pass-through companies get a 20 percent deduction of their income tax-free, changes that expire after 2025. The term *pass-through* companies refers to business income that is passed through to the business owner's individual tax return. These companies include S corporations, LLCs, partnerships, and sole proprietorships. The new law also repeals, by 2019, the individual mandate penalty for purchasing health insurance created by the Affordable Care Act.

### State of the States

Currently, 36 state legislatures are actively meeting. Most state legislatures have convened for the year and the rest will convene later in January and early February. Here are the important developments in court reporting legislation that NCRA is monitoring, including bill summaries and NCRA's position on bills of importance. Legislation from the 2017 legislative session have carried over from 23 states, so you may see some bills that look familiar. If you have any questions about court reporting legislation in the states, please contact Matthew Barusch at mbarusch@ncra.org.



## A Member's Perspective on Why PAC Matters

By Shaunise Day

Do you know what PAC is doing for you?

Behind the scenes, the NCRA Political Action Committee (PAC) is working hard on behalf of its members to ensure the future of court reporting and captioning. This means that PAC has a duty to establish relationships with legislators on Capitol Hill. PAC supports candidates who will work in the interest of NCRA's legislative agenda to benefit the court reporting and captioning fields.

Where would we be without PAC?

Without PAC, our Association would not be able to monitor legislation from state to state that would affect the court reporting and captioning profession. For example, earlier this year, NCRA took a stand with California to oppose bill AB 1631. California AB 1631 would prohibit shorthand reporting services from gift giving for marketing purposes. This bill would also prohibit shorthand reporting services from entering into long-term contracts with attorneys, law firms, or third parties.

NCRA wrote an opinion letter addressing AB 1631 as well as consulted with state leaders and advised them on an advocacy strategy.

Our profession is currently facing key issues that will affect every member's livelihood and could possibly shape the future of this profession. There is a student shortage, electronic/digital and video recording to eliminate reporters, and not to mention third-party contracting issues. These are just a few issues, but if we stand together, we can make a big difference in our favor.

Let's take action and advocate together

Every one of us should feel compelled to take action and support PAC. We all have a responsibility to protect the profession. Let's start now by advocating together. NCRA PAC only survives by the generosity of its members and contributors. Contributions of any size are appreciated. For the complete set of giving guidelines and a contribution form, <u>visit NCRA's Government Relations</u> page.

Shaunise Day is a student at West Valley College in Saratoga, Calif. She can be reached at <a href="mailto:shauniseday@gmail.com">shauniseday@gmail.com</a>.

## **PAC Poll Results**

The PAC poll results from the October 2017 PAC poll:

Which issue affecting the court reporting profession is most important to you?

10% Certification

24% Health care

26% Electronic reporting

40% Student/reporter shortages

## **PAC Fundraiser**

NCRA is pleased to announce a brand-new PAC fundraiser to be held at the 2018 NCRA Convention & Expo in New Orleans. The NCRA PAC State Basket Spectacular will be a contest between the states, and the winning state will receive an NCRA State Leadership Conference!

Here's how it will work: State associations wishing to participate in this contest will donate a gift basket to the fundraiser. This gift basket can include anything you wish, but consider including items that are unique to your state's culture and make you proud of your state.

The fundraiser will be similar to a silent auction: Members will need to contribute to the NCRA PAC in order to get raffle tickets, which will be used to bid on gift baskets. The winner of each basket will be chosen from raffle tickets at random. The state that contributes the basket that accrues the most raffle tickets will be the host for an NCRA State Leadership Conference in 2019!

If your state wishes to donate a gift basket to the fundraiser and be in contention to have an NCRA State Leadership Conference, please email State Government Relations Manager Matthew Barusch at <a href="mailto:mbarusch@ncra.org">mbarusch@ncra.org</a>. We are looking forward to having many states participate in our fundraiser this year. See you all in New Orleans!

## **NCRA Legislative Boot Camp**

The much anticipated and highly acclaimed NCRA Legislative Boot Camp will be here in a few weeks! Come to D.C. and learn how to



advocate for the profession at the state and federal levels, and meet with your legislators to put your lessons into practice! Boot Camp will be held March 11-13 at the Hyatt Regency Reston. Registration is open and there are limited spots, available, so sign up today!

For more information on how NCRA can help you advocate for the court reporting and captioning professions in your state, contact Matthew Barusch, State Government Relations Manager, at <a href="mailto:mbarusch@ncra.org">mbarusch@ncra.org</a>.

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