



# Washington Report

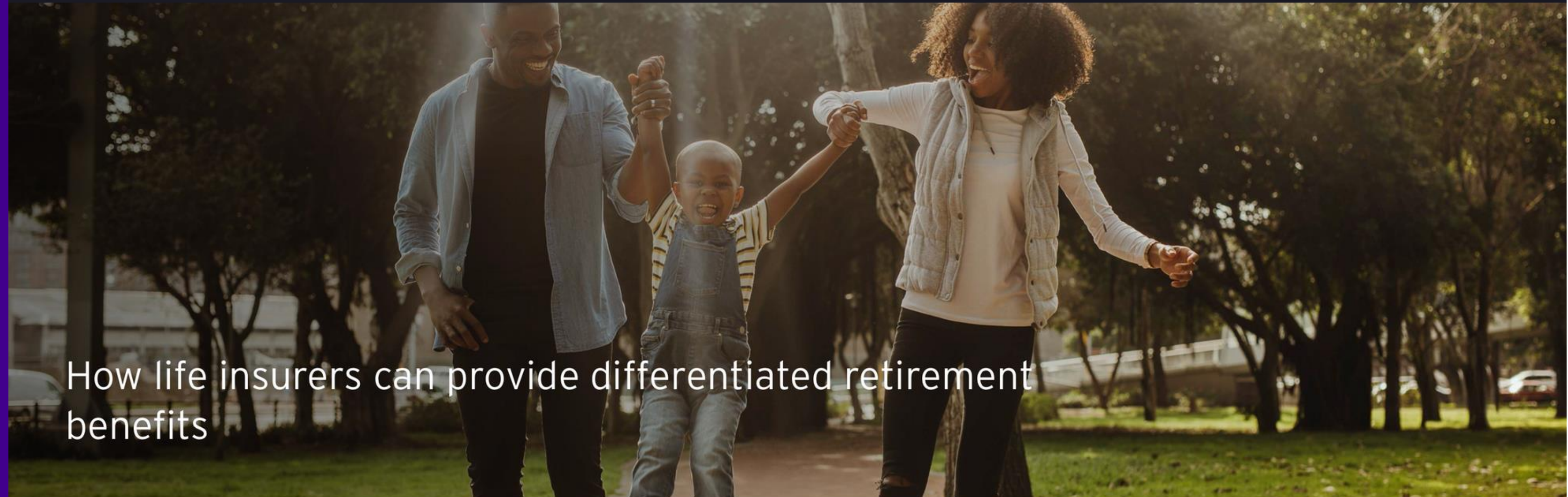
Alex Kim  
Vice President, Public Policy  
Finseca



**Fin•sec•a**

**Financial Security for All**

We are the home of the top financial security professionals.



## How life insurers can provide differentiated retirement benefits



By **EY Americas**

Multidisciplinary professional services organization

6 minute read  
25 Feb 2021

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"a recent study by EY showed that applying just 30 cents of each dollar of savings to term/permanent life insurance or annuities yields better returns than investment-only options."



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# Financial Security for All

**Career & Leadership Development**  
*Board of Advisors*



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the **Finseca**  
**Community**

## ELEVATE

Brand/Reputation

- Public Image
- Media Relations
- Diversity, Equity & Inclusion

## ACCELERATE

Business Growth

- Personally
- Professionally
- Teams
- Leadership

## ADVOCATE

Federal & State

- Tax Policy
- Regulatory Policy
- Advocacy Training

## EDUCATE

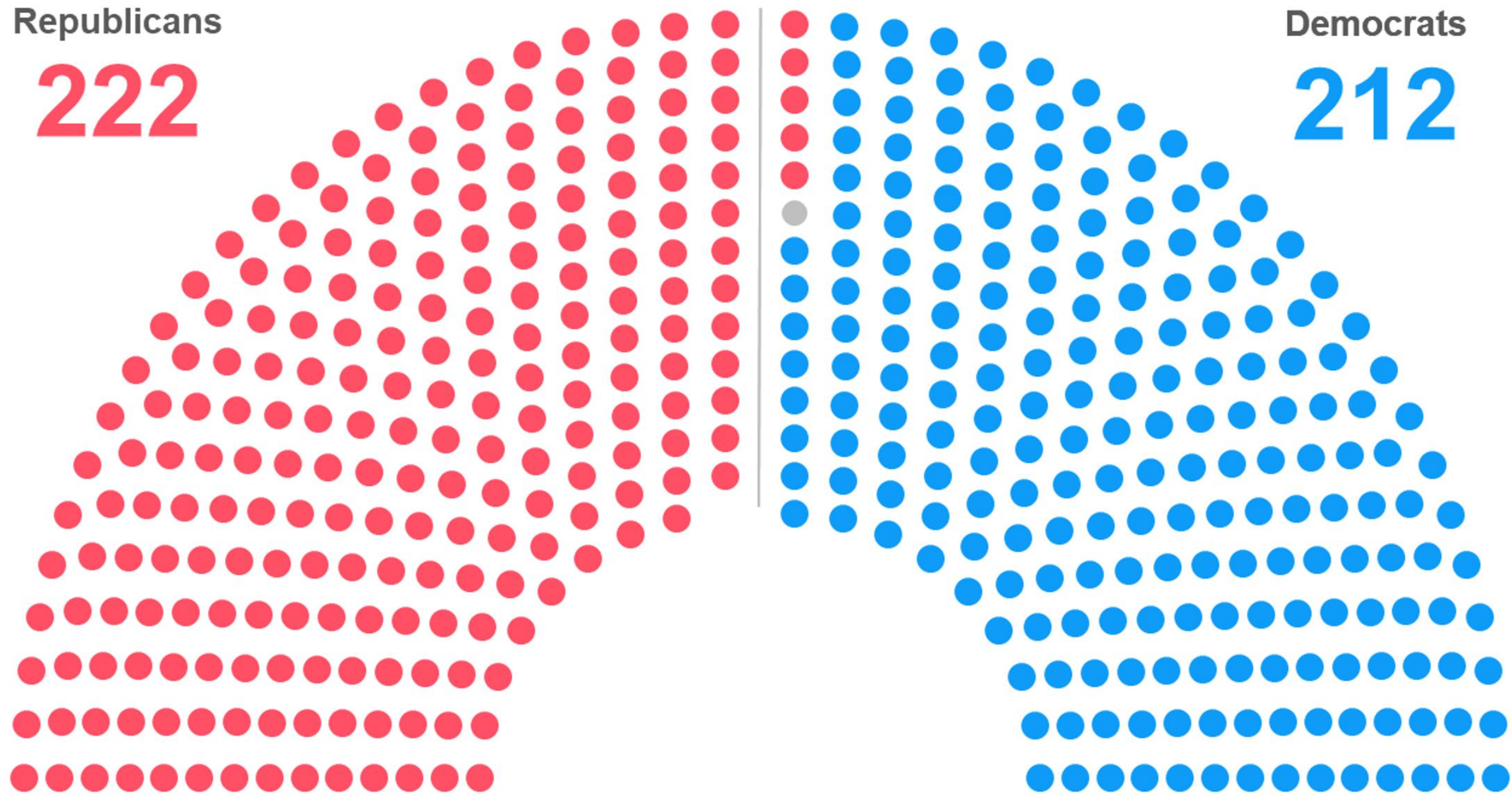
501(c)3 Foundation

- Research
- Public Education
- Public Charity
- Planned Giving

# 2023 – 24

# A Quick Look Ahead

# House Balance of Power for the 118th Congress



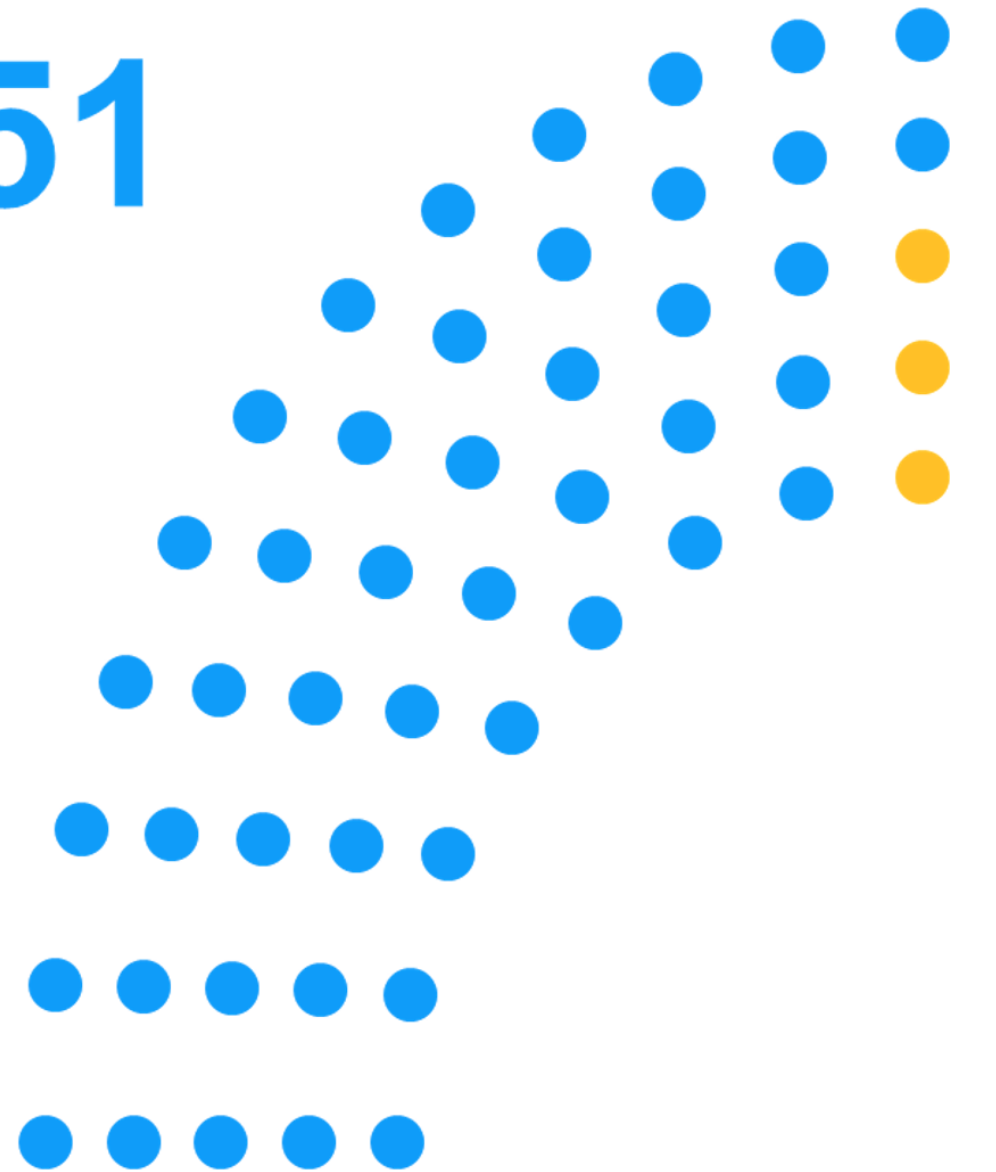
Note: Grey circle reflects vacancy for Donald McEachin (D-Va.), who died Nov. 28  
3 Sources: Associated Press calls of races

**Bloomberg Government**

# Senate Balance of Power for the 118th Congress

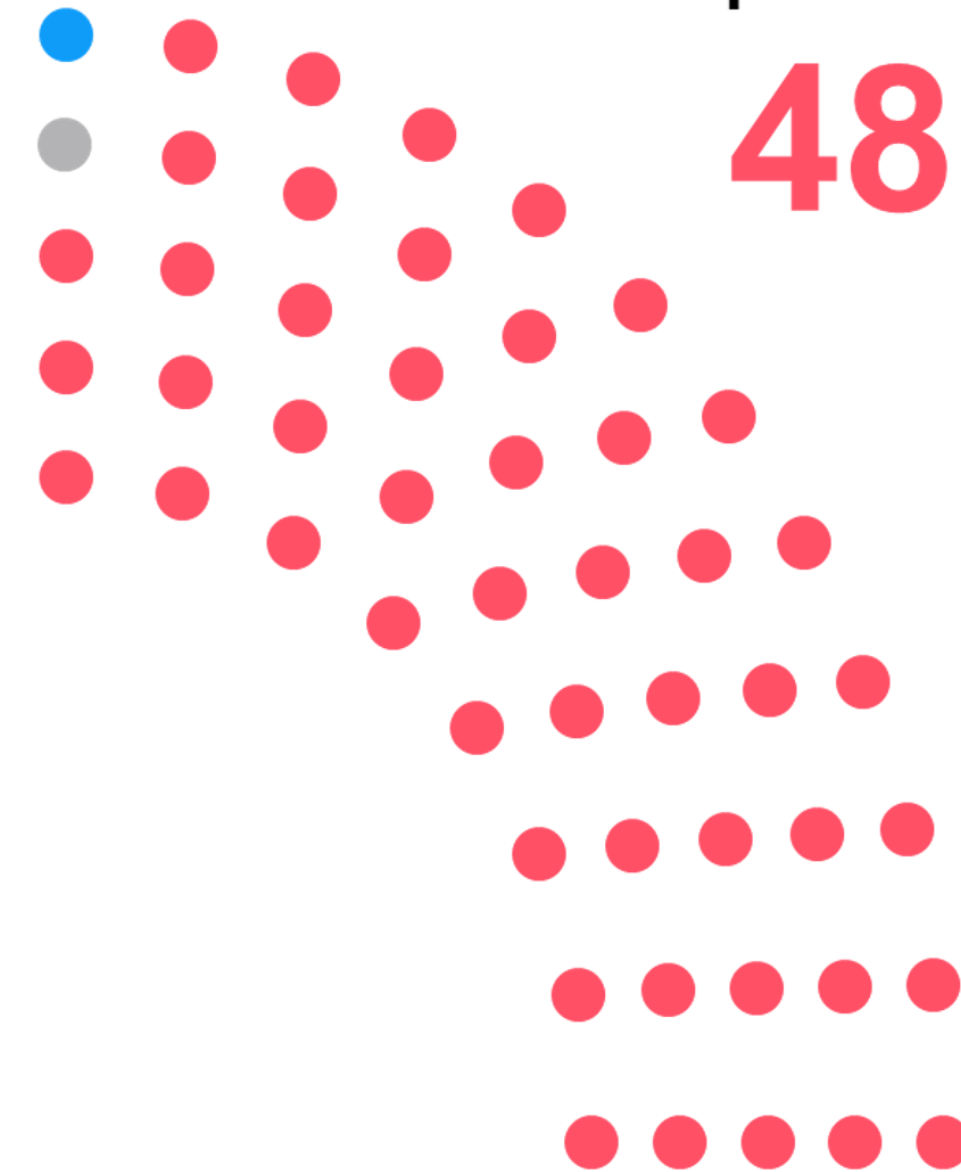
Democrats

51



Republicans

48



Source: Associated Press calls of races.

6 Note: Yellow dots are independents aligned with Democrats; grey dot is for vacancy caused by resignation of Ben Sasse (R-Neb.).

**Bloomberg Government**

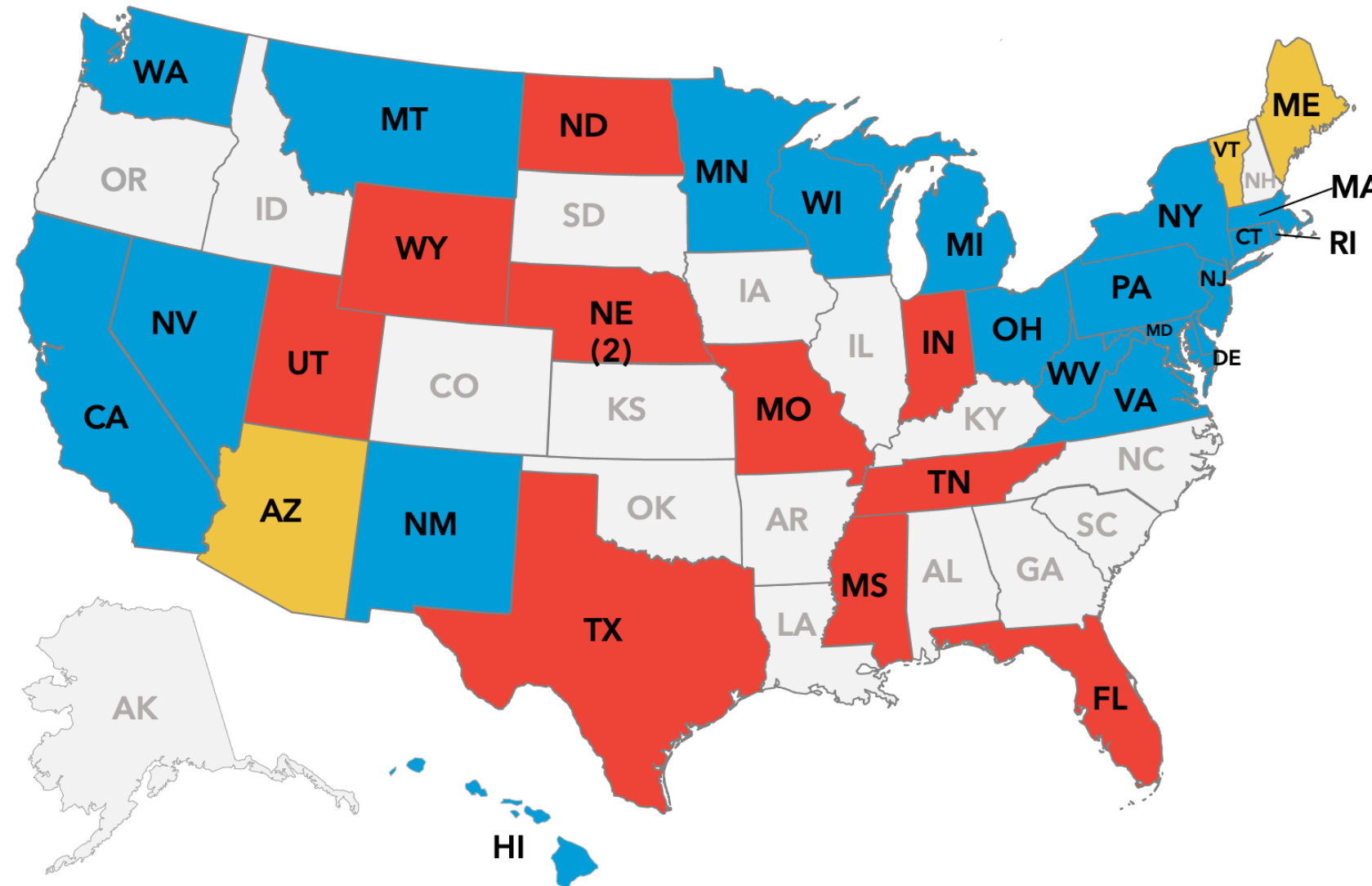


# 2024 Senate Map

## 2024 Senate Races

Democrats defending more seats, including three in 2020 Trump states (Montana, Ohio, West Virginia)

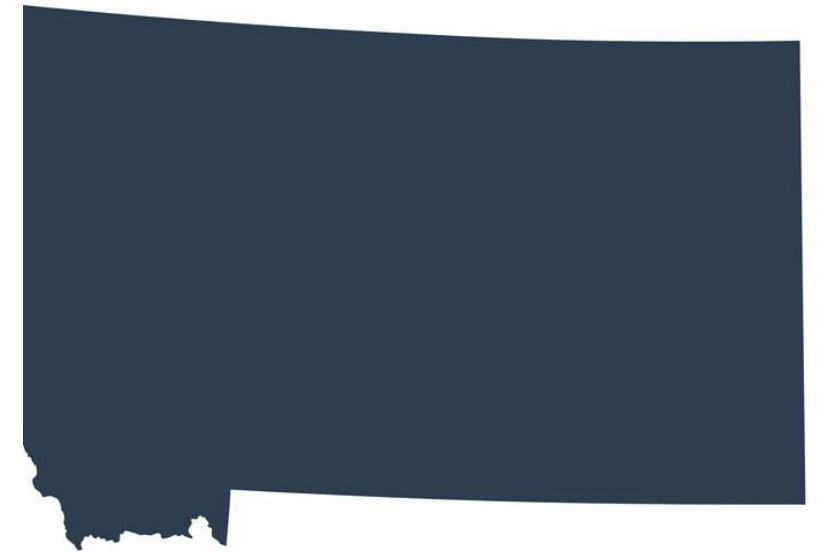
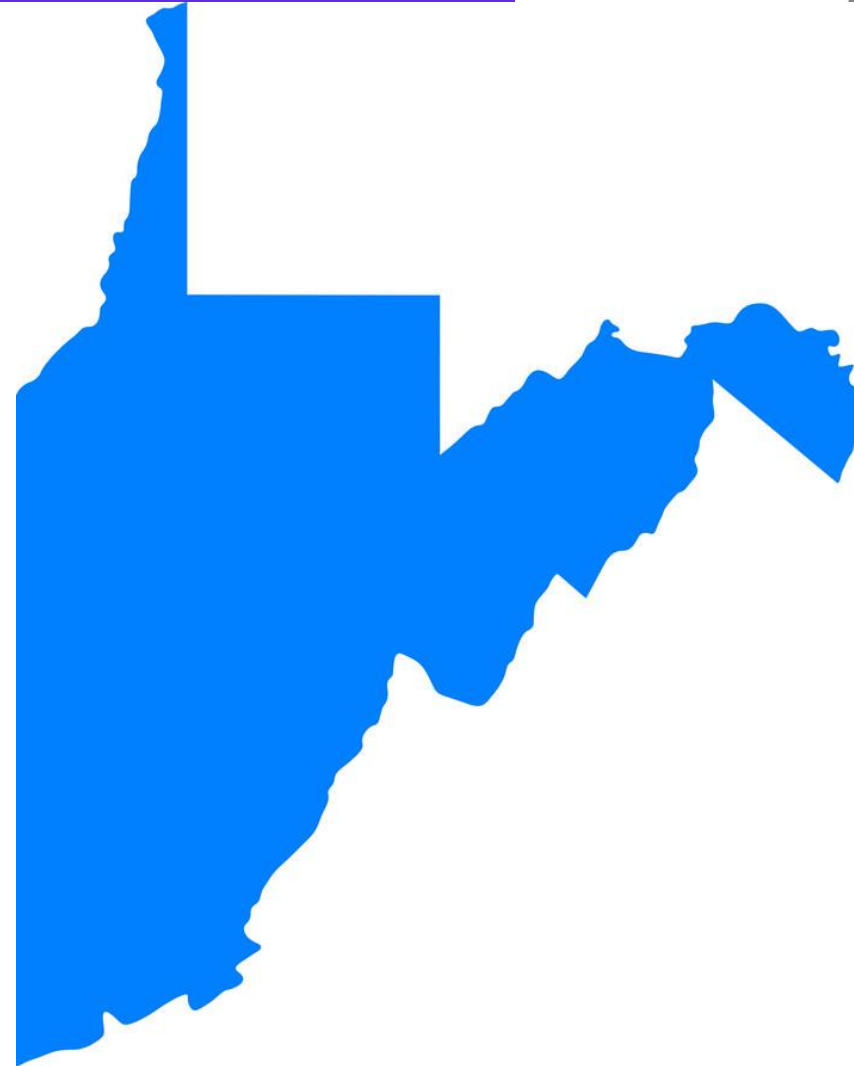
■ Republican incumbent (11) ■ Democratic incumbent (20) ■ Independent incumbent (3)



Note: Nebraska will have two races in 2024, including a special election triggered by the resignation of Ben Sasse (R).  
Source: Bloomberg Government

**Bloomberg Government**

# Elections



# Priorities for the profession in 2023

## Tax Reform

- Tax
- Inside Build-up / Death Benefits
- Wealth Transfer
  - Rates / Exemptions
  - Capital Gains/Repeal of Step Up
- COLI/BOLI-NQDC
- TCJA
- 199A

## Regulatory

- DOL
- SEC
- NAIC-275
- NY 187
- CA SB 263

## Worker Classification

- PRO Act
- NLRB
- ABC Test in the Tax Code

## Retirement

- SECURE 2.0 – implementation and technical corrections
- State funded retirement plans

## State

- Worker classification
- Long Term Care
- Tax threats (KY HB 8)

# Tax

**“Build it in America”**

**“Small Business Jobs Act”**

**“Tax Cuts for Working Families Act”**

**=**

**“American Families and Jobs Act”**

# *American Families and Jobs Act*

Research  
and  
Development

Bonus  
Depreciation

Business  
Interest  
Expense

Independent  
contractors

Individual  
standard  
deductions

# Tax Cuts & Jobs Act

sunsets after 2025

# TCJA Provisions Expiring after 2025

1. Modification of individual income tax rates (sec. 1(j))
2. Child tax credit: Increased credit amount, increased refundable amount, reduced earned income threshold, and modification of identification requirements (sec. 24(h))
3. New markets tax credit (sec. 45D(f)(1))<sup>12</sup> 12/31/25
4. Beginning-of-construction date for certain qualified carbon oxide sequestration facilities (sec. 45Q(d)(1))
5. Employer credit for paid family and medical leave (sec. 45S(i))
6. Beginning-of-construction date for offshore wind facilities eligible to claim the investment credit in lieu of the renewable electricity production credit (sec. 48(a)(5))<sup>13</sup>
7. Work opportunity credit (sec. 51(c)(4))
8. Increase in exemption amount and phaseout threshold of individual AMT (sec. 55)
9. Rate on modified taxable income and treatment of credits in the calculation of base erosion minimum tax amount (sec. 59A(b)(2))
10. Increase in standard deduction of individuals (sec. 63(c)(7))
11. Suspension of miscellaneous itemized deduction (sec. 67(g))
12. Suspension of limitation on itemized deductions (sec. 68(f))
13. Exclusion from gross income of discharge of indebtedness on principal residence (sec. 108(a)(1)(E))
14. Special rule for certain discharges of student loans (sec. 108(f)(5))
15. Exclusion for certain employer payments of student loans (sec. 127(c)(1)(B))
16. Suspension of exclusion for reimbursement of bicycle commuting (sec. 132(f)(8))
17. Suspension of exclusion for moving expense reimbursement (sec. 132(g)(2))
18. Suspension of deduction for personal exemptions (sec. 151(d)(5))
19. Limitation on deduction for qualified residence interest, suspension of deduction for home equity interest (sec. 163(h)(3)(F))
20. Increase in estate tax exemption (sec. 2010(b)(1)(B))
21. Increase in gift tax exemption (sec. 2513(b)(1)(B))
22. Increase in estate and gift tax exemption (sec. 2010(c)(3)(C))
23. Seven-year recovery period for motorsports entertainment complexes (sec. 168(e)(3)(C)(ii) and (i)(15)(D))
24. Increase in percentage limitation on cash contributions to public charities (sec. 170(b)(1)(G))
25. Special expensing rules for certain film, television, and live theatrical productions (sec. 181(g))<sup>14</sup>
26. Qualified business income deduction (sec. 199A(i))
27. Suspension of deduction for moving expenses (sec. 217(k))
28. Deduction percentages for foreign-derived intangible income and global intangible low-taxed income (sec. 250(a)(3))
29. Deductibility of employer de minimis meals and related eating facility, and meals for the convenience of the employer (sec. 274(o))
30. Transfer of excess pension assets to retiree health and life insurance accounts (sec. 420(b)(4))
31. ABLE accounts (sec. 529A):
  - a. Contributions eligible for saver's credit (sec. 25B(d)(1)(D))
  - b. Rollovers from qualified tuition programs permitted (sec. 529(c)(3)(C)(i)(III))
  - c. Increase in contributions limit (sec. 529A(b)(2)(B))
32. Look-through treatment of payments between related controlled foreign corporations under the foreign personal holding company rules (sec. 954(c)(6)(C))
33. Empowerment zone tax incentives:<sup>15</sup>
  - a. Designation of an empowerment zone and of additional empowerment zones (sec. 1391(d)(1)(A)(i) and (h)(2))
  - b. Empowerment zone tax-exempt bonds (secs. 1394 and 1391(d)(1)(A)(i))
  - c. Empowerment zone employment credit (secs. 1396 and 1391(d)(1)(A)(i))
34. Increase in estate and gift tax exemption (sec. 2010(c)(3)(C))
35. Oil Spill Liability Trust Fund financing rate (sec. 4611(f)(2))

# Key Provisions Expiring

- Lower Individual Rates & Increase Standard Exemption
- Increased Estate Tax Exemptions
- Child Tax Credit
- 199A Deduction for Pass Through Entities
- SALT Deduction Cap

increases the federal government's fiscal imbalance from 8.2 % to 9.4 % of all future GDP

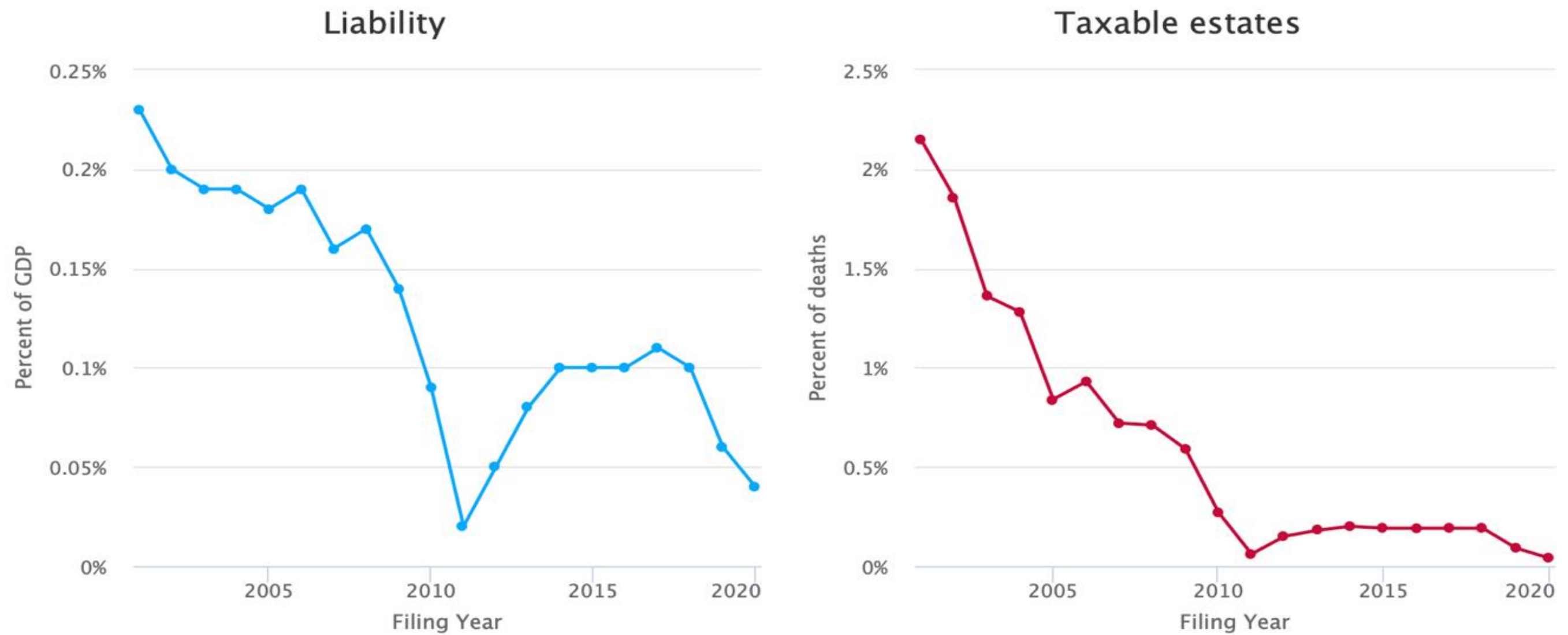
**Buchanan, More Than 70 Colleagues Introduce Legislation to Make Republican Tax Cuts Permanent**



# Wealth Transfer

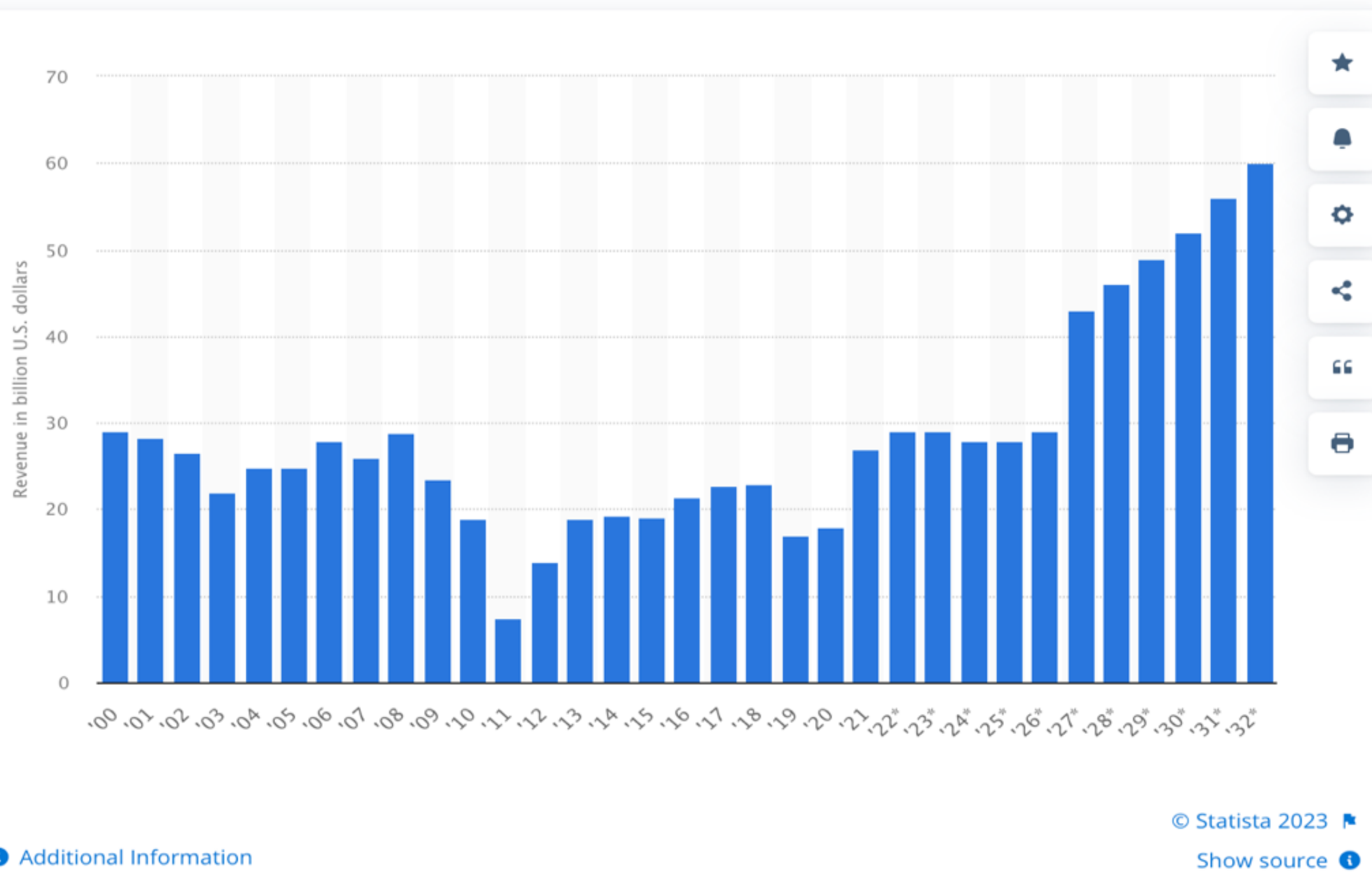
Figure 1. Estate Tax Liability (Share of GDP) and Taxable Estates (Share of Total Deaths), Filing Years 2001-2020

[DOWNLOAD DATA](#)



# Estate and gift tax revenue and forecast in the United States from 2000 to 2032

(in billion U.S. dollars)



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## Source

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## Release date

May 2022

## Region

United States

## Survey time period

2000 to 2021

## Supplementary notes

\* Projections.

Values prior to 2021 taken from Hist

# Wealth Transfer in Crosshairs

- For the 99.5% Act
- Ultra-Millionaire Tax
- President Biden's Billionaire Tax
- Recent letter to Sec. of Treasury Yellen from Sens. Warren, Sanders and Whitehouse

# Moore v. U.S.



**Richard Rubin**

[@RichardRubinDC](#)



[@rokumar1918](#) I am so, so ready for however many thousand words [@jthorndike](#) wants to write on what the framers of the 16th Amendment meant by "incomes."

6/26/23, 10:46 AM



# Other Items on Radar

For Release

## FTC Proposes Rule to Ban Noncompete Clauses, Which Hurt Workers and Harm Competition

Agency estimates new rule could increase workers' earnings by nearly \$300 billion per year

January 5, 2023



## Wyden Launches Investigation Into Private Placement Life Insurance Schemes

*Lombard International, subsidiary of private equity giant Blackstone, is the market leader in private placement life insurance*

## Sanders offers bill taking aim at tax breaks for executive retirement plans



# Other Items on Radar

# Transfer for Value



# Engagement & Advocacy

# Did you know?

**Only 5% of this Congress has experience with insurance.**

**15% of Congress are freshman.**

**25% of the Ways and Means Committee is new.**

**Thank you**