

Today is _____, _____ the _____. This is Ken Morgan's Northcoast Ag Report, our lead story is about the difficulties of doing tax reform when we return

National Ag News Audio

GOP differences over how to pay for tax reform are slowing down the effort, key for agriculture during a long financial drought amid continued low prices and thin margins.

The President is pushing hard in meetings with Congressional tax writers to get bills moving now to reduce corporate and individual taxes.

But doing so, will take attaching tax reform to a budget bill that has different rules and can't be filibustered like taxes. Few Senate Democrats are expected to vote for a GOP tax bill.

But GOP conservatives want new tax cuts paid for with offsetting savings, by eliminating other breaks. Trillions in government revenue could be lost by the president's plan to sharply reduce rates for businesses and individuals.

American Farm Bureau Senior Economist Bob Young says GOP division is impacting the process...tape

Cut #1 :22 OC:... "move forward."

Young points out that both chambers have to pass the budget bill, and if disagreement in the House GOP prevents that, the Senate can't do tax reform, either.

Tax reform is made more complicated for agriculture, if the GOP eliminates key tax breaks producers want, like lower capital gains rates, an end to the estate tax to pay for other breaks...tape

Cut #2 :20 OC:... "more in taxes."

The White House is considering scaling back the very popular mortgage interest deduction, and ending that for state and local taxes. None of this makes the process easier, which is probably why tax reform hasn't happened since 1986.