

## ABA SECTION OF TAXATION MEETING

**Could the Future of Tax Reform Borrow a Page From the Past?**

by Jonathan Curry

Parallels between the tax reform efforts in the 1980s and the circumstances around the enactment of the Tax Cuts and Jobs Act could offer hints about what to expect in the coming years.

Although the monumental Tax Reform Act of 1986 is often considered the predecessor to the TCJA (P.L. 115-97), practitioners at the American Bar Association Section of Taxation meeting in Washington said May 10 that a better comparison might be to the Economic Recovery Tax Act of 1981. “It was stimulus at a time when perhaps it wasn’t the right time for stimulus,” said Alexander L. Reid of Morgan Lewis & Bockius LLP.

What followed in 1982 was a rollback of some of the tax cuts over concerns that they went too far and created deficit problems, and then a few years later came the 1986 tax reform law that resulted from more than 18 months of careful bipartisan deliberation and study. “So does the Tax Cuts and Jobs Act set the stage at last for tax reform?” asked Reid.

Armando Gomez of Skadden, Arps, Slate, Meagher & Flom LLP lamented that the TCJA had the potential to be more reform-focused, saying that the tax overhaul ended up being “more like Lucy putting the football in place” before yanking it away at the last moment like in the *Peanuts* comic strip. But he said that if the economic costs of the TCJA soon become more apparent, then “maybe by 2022 — the same time frame, five years later — we could see something.”

However, Gregory F. Jenner of Stoel Rives LLP was more skeptical, observing that while the 1982 rollback was driven by concerns over the deficit, there’s now no comparable concern in either political party. Similarly, he added that President Reagan won reelection in 1984 after promising comprehensive tax reform, and there’s no similar interest driving the Trump administration. “I just don’t see how that happens,” he said. ■