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What Next for US Business After the Elections?

Mayer Brown, Webinar

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2012 Elections at a Glance: Congress = Split Power

Senate – Democrats Expand Majority

Democrats 55		Republicans 45
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House – Republicans Maintain Solid Majority

Democrats 192	To Close to Call 9	Republicans 234
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Major Issues Put Off Until After Elections – Lame Duck Session

Fiscal Cliff – Potential impact on clients

- Taxes:

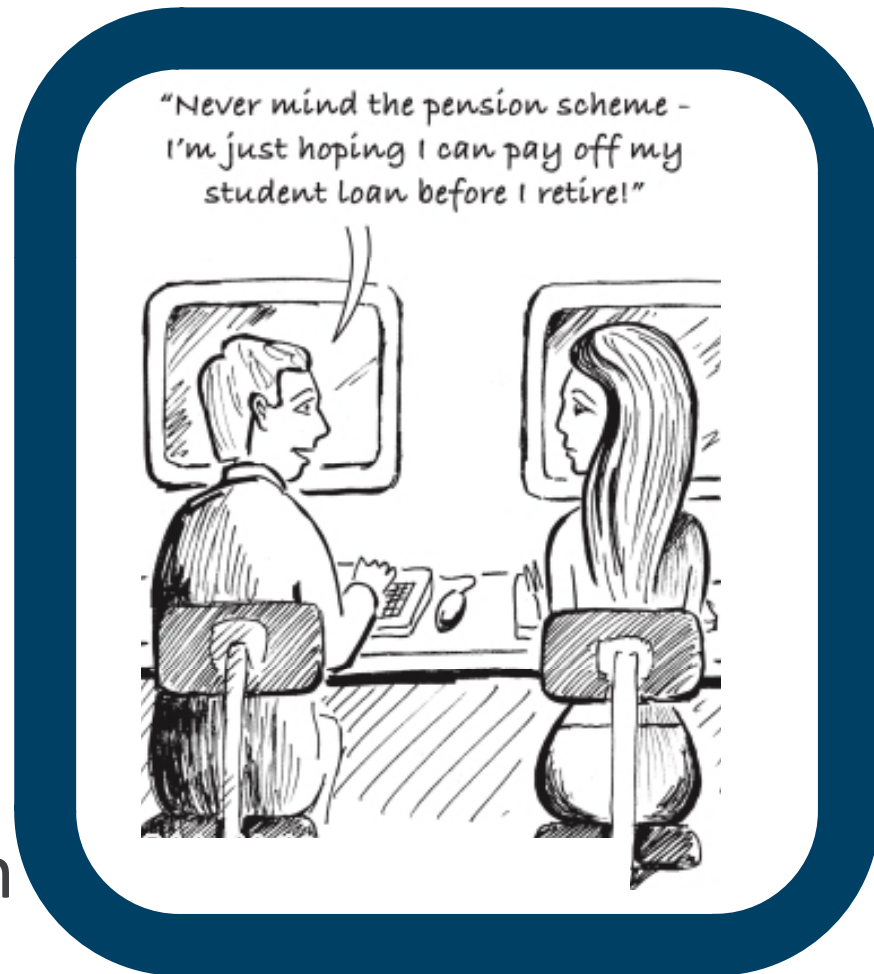
Expiration current rates (income/dividend/capital gains)	\$221B
Partial expense invest property	\$65B
Payroll Tax cut	\$95B

- Spending:

Sequester Defense/Domestic	\$65B
Unemployment Benefits 29 months	\$26B
Doc Fix	\$11B

Major Issues Put Off Until After Elections – Lame Duck Session

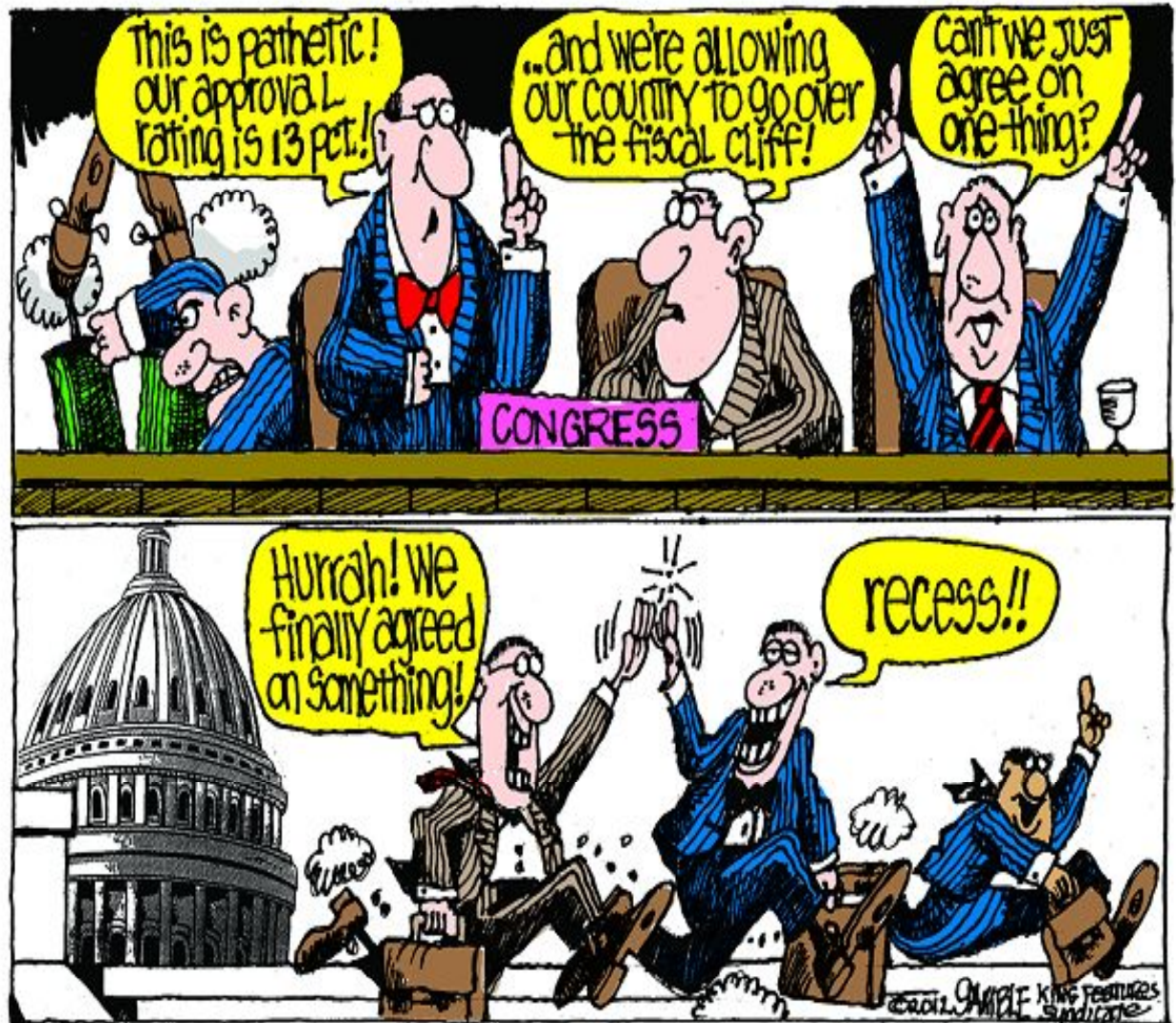
- Russian Free Trade Agreement
- Law of Sea Treaty
- Student Loan Issues
- Cybersecurity
- Mortgage debt reduction tax forgiveness extension



No Consensus on Priorities or Process for “Fiscal Cliff”

• OPTIONS

- Grand Plan
- New Super Committee
- 6 -12 month Extension
- Do Nothing



Big impact for Business: Tax extenders and “pay-fors”

No one is Talking Specifics

Possible examples include:

- Oil & Gas Depletion Allowances/Expensing rules
- LIFO
- Treatment of Insurance Industry Reserves
- R & E Tax Credit & Expenditure Expensing
- Accelerated Depreciation
- Treatment of Foreign Source Income

REGULATIONS

- House Financial Services Committee calls for delay on many Dodd-Frank regulations
- Senator Roberts (Ag Ranking Member) calls for hearings after the election on CFTC Derivatives Rule
- Senator Lieberman calls for legislation to authorize the President to request regulatory analysis of proposed rules of CFPB and other independent bureaus
- Affordable Care Act

113th Congress – Major Unfinished Business

- Comprehensive Tax Reform
- Immigration Reform
- Energy Policy Reform
- Higher Education Financing

Questions?

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