

# MORNING CONSULT

## Crapo, Brady Will Handle Trump's Tax, Finance Agenda

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Donald Trump has promised a “massive tax reduction” for middle-income Americans, a child care tax benefit, a reduction in the corporate tax rate to 15 percent, and an end to “special interest loopholes.” He has also promised a moratorium on federal regulations that most observers say is leveled squarely at the Dodd-Frank banking law.

The Republican-controlled Senate and the House in the next Congress will have to navigate those proposals. But key leaders on these issues, such as House Ways and Means Committee Chairman Kevin Brady (R-Texas) and Senate Finance Committee Chairman Orrin Hatch (R-Utah), are expected to remain at the helm of some of Congress’ most powerful committees.

One notable change will come to the Senate Banking Committee, where Sen. Mike Crapo (R-Idaho) is expected to succeed Sen. Richard Shelby (R-Ala.) as the panel’s chairman.

Sen. Sherrod Brown of Ohio, the banking panel’s top Democrat, has said he believes Crapo’s leadership could be more conducive to getting bipartisan legislation to the Senate floor than under Shelby’s watch.

Brown has a political incentive to work with Republicans, since he is up for reelection in 2018. He will likely face a tough race because of the strength of Republicans in his home state and his unapologetic stance as a progressive.

Mark Calabria, the director of financial regulation studies at the Cato Institute, said in an interview that Democrats on the Banking Committee will have to consider what concessions they might be prepared to make on issues like Dodd-Frank. Several moderate Democrats on the committee, such as Sens. Heidi Heitkamp (N.D.), Joe Donnelly (Ind.) and Jon Tester (Mont.) will be up for reelection in 2018.

Some of the changes to Dodd-Frank that could be in store on a bipartisan basis include increasing the capital threshold to determine systemically important financial institutions.

Sen. Ron Wyden (D-Ore.) is expected to continue on as the ranking member of the Finance Committee, which will be absorbed in tax reform conversations that began last year. Wyden has said he doesn’t want to address the corporate tax rate without also looking at individual tax rates, an idea that Trump has floated.

In the House, the current leadership of the House Financial Services Committee is likely to remain unchanged. Rep. Jeb Hensarling (R-Texas) will remain the chairman, while Rep. Maxine Waters (D-Calif.) will likely stay on as the ranking member.

Waters and Hensarling are ideological foils on nearly every issue that comes before their committee and have publicly clashed during hearings.

One question that will be answered in the coming weeks is who replaces Rep. Scott Garrett (R-N.J.) as the chairman of the Financial Services' influential Subcommittee on Capital Markets and Government Sponsored Enterprises. That panel is considered one of the most important tools for managing congressional relations with Wall Street. Garrett lost his reelection bid on Tuesday.

The current leaders of Financial Services subcommittees who could be eligible to lead the capital markets subcommittee include Reps. Bill Huizenga (R-Mich.), Blaine Luetkemeyer (R-Mo.) and Sean Duffy (R-Wis.). The subcommittee's vice chairman, Rep. Robert Hurt (R-Va.) did not run for reelection, leaving Rep. Peter King (R-N.Y.) as the most senior Republican on the panel.

Rep. Sander Levin (D-Mich.) is expected to stay on as ranking Democrat on the Ways and Means.