

## Rounds hopeful Congress can pass tax reform but not holding his breath

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U.S. Sen. Mike Rounds said he's hopeful that the Senate can pass a tax reform package before the end of the year, but also has a contingency plan ready.

The South Dakota Republican on Tuesday told a room full of state legislators, lobbyists and other constituents in Sioux Falls that he would make a "down payment" on tax reform should a broader proposal get held up in his chamber.

While Republicans in Congress have vowed to overhaul the country's tax code with a focus on simplifying and lowering taxes for taxpayers and businesses, Rounds said he wasn't certain there would be enough support to pass the bill.

"I'm not holding my breath," Rounds said. "I'd like to have a Plan B in place."

Rounds' proposal would divert more than \$150 billion back into taxpayers' pockets. People would mostly spend that money, spurring enough new tax revenue to mostly pay for the cuts, Rounds said.

But policy analysts have split on whether the plan would work the way that Rounds anticipates. While Presidents John F. Kennedy and Ronald Reagan both slashed taxes to boost the national economy, today's lower unemployment and inflation would make the move less successful, Roberton Williams, a senior fellow at the nonpartisan Tax Policy Center, has said.

The Libertarian Cato Institute, however, has said it supports the proposal as it could pump more money into the economy.