

GOP says it’s got a deal on taxes; cuts coming for next year

WASHINGTON (AP) — Confident congressional Republicans forged an agreement Wednesday on a major overhaul of the nation’s tax laws that would provide generous tax cuts for corporations and the wealthiest Americans — Donald Trump among them — and deliver the first major legislative accomplishment to the GOP president.

Middle- and low-income families would get smaller tax cuts, though Trump and GOP leaders have billed the package as a huge benefit for the middle class. The measure would scrap a major tax requirement of Barack Obama’s Affordable Care Act, a step toward the ultimate GOP goal of unraveling the law.

“The cynical voices that opposed tax cuts grow smaller and weaker, and the American people grow stronger,” Trump said at the White House. “This is for people of middle income, this is for companies that are going to create jobs. This is for very, very special people, the great people of America.”

The business tax cuts would be permanent, but reductions for individuals would expire after a decade — saving money to comply with Senate budget rules. In all, the bill would cut taxes by about \$1.5 trillion over the next 10 years, adding billions to the nation’s mounting debt.

The legislation, which is still being finalized, would cut the top tax rate for the wealthy from 39.6 percent to 37 percent, slash the corpo-



House Ways and Means Committee Chairman Kevin Brady, R-Texas, center, embraces Senate Finance Committee Chairman Orrin Hatch, R-Utah, left, as House and Senate conferees after GOP leaders announced they have forged an agreement on a sweeping overhaul of the nation’s tax laws, in Washington on Wednesday.

rate income tax rate from 35 percent to 21 percent and allow homeowners to deduct interest only on the first \$750,000 of a new mortgage. The top tax rate currently applies to income above \$470,000 for married couples, though lawmakers are reworking the tax brackets.

The standard deduction would be nearly doubled, to \$24,000 for married couples. Details of the agreement were described by Republican senators and congressional aides.

“It’s not my vision of the perfect, but again, this is definitely going to be a strong pro-growth tax package,”

said Sen. Ron Johnson, R-Wis.

Republicans see passage of the legislation as a political imperative, proving to voters they can govern as the GOP fights to hold onto its majorities in the House and Senate. Republicans said they expect the package to increase economic growth, generating additional tax revenue and lessening the hit to the budget deficit. Independent economists aren’t as optimistic.

Federal Reserve Chair Janet Yellen said she and her colleagues expect a “modest lift” to economic growth from the tax package.

Yellen said at a news

conference the likelihood of lower taxes is why Fed officials expect the economy to grow at 2.5 percent in 2018. But growth would then slip back closer to its recent 2 percent average.

She said that any wage growth would likely stem from the low unemployment rate rather than the tax cuts.

Negotiators have removed several controversial provisions from the tax bill, including one that would have eliminated the deduction for interest on student loans and another deduction for medical expenses, said two congressional aides.

Also, the bill would no longer start taxing gradu-

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— Donald Trump, President of the United States

ate-school tuition waivers, said the aides, who spoke on condition of anonymity because they were not authorized to publicly discuss private negotiations.

The tax bill would scale back the deduction for state and local taxes, allowing families to deduct only up to a total of \$10,000 in property and income taxes.

The deduction is especially important to residents of high-tax states like Oregon, New York, New Jersey and California.

Business owners who report business income on their personal tax returns would be able to deduct 20 percent of that income.

The bill would repeal the mandate that most Americans get health insurance, a provision of the 2010 health care law. Republicans suffered a humiliating defeat this past summer when they were unable to dismantle the health care law after seven years of promises. Scrapping the individual mandate would provide them with more than \$300 billion for deeper tax

cuts while undermining the law.

Senate leaders plan to vote on the package Tuesday. If it passes, the House would vote next. GOP leaders hope to send the bill to Trump before Christmas.

“Let’s not waver now — let’s not give in to the Washington status quo — not when tax reform is so close,” said Rep. Kevin Brady, R-Texas, chairman of the tax-writing House Ways and Means Committee.

The measure has come under assault by Democrats who say it is unfairly tilted in favor of business and the wealthy.

Top Senate Democrat Chuck Schumer said the public doesn’t know all the details of the bill, “but they smell what’s going on and that is tax cuts for the wealthiest and no help for so many in the middle class.”

Schumer predicted that the politically unpopular bill would drag down Republicans in next year’s congressional elections. “I believe they’ll pay a very steep price for this bill in 2018,” he said.

The agreement was reached hours before a joint House-Senate conference committee met in public for the first time. The committee is charged with blending the tax bills passed by the House and Senate, though Republicans have done their negotiations behind closed doors. Democrats have not been included in any talks on the bill.

The full details will be unveiled by the end of the week, Brady said.

BRIEFLY

California firefighters gain on blaze amid wind threat

LOS ANGELES (AP) — Southern California firefighters on Wednesday continued working to contain the fifth largest fire in the state’s history but warned that some communities are still at risk and could be in greater danger if unpredictable winds whip up again and fan the flames.

Warnings of ideal conditions for wildfires were extended because of Santa Ana winds and lack of moisture, with a possible increase in wind gust speeds at the end of the week.



In this photo provided by the Santa Barbara County Fire Department, firefighters keep an eye on flames as pockets of unburned vegetation flare up off Bella Vista Dr. in Montecito, Calif., Wednesday.

But Moore hasn’t budged after a stunning loss in a reliably GOP state.

“Realize, when the vote is this close, it is not over,” he told supporters at his election-night party in Montgomery late Tuesday. Moore did not make any public statements or appearances Wednesday.

Jones is leading Moore by about 20,000 votes, or about 1.5 percent, with all precincts counted.

A 2003 Alabama law triggers an automatic recount when the winner’s margin of victory is less than half of 1 percent. Jones’ margin is currently about three times that threshold.

Minnesota Lt. Gov. Tina Smith named to fill Franken seat

ST. PAUL, Minn. (AP) — Minnesota Gov. Mark Dayton appointed Lt. Gov. Tina Smith on Wednesday to fill fellow Democrat Al Franken’s Senate seat until a special election in November, setting up his longtime and trusted adviser for a potentially bruising 2018 special election.

Smith was widely seen as Dayton’s top choice from the moment Franken announced his resignation last week. But her previous decision not to run for governor had raised questions about her appetite for a closely watched and expensive Senate campaign.

Smith said she is in and fully committed.

It’s not clear when Smith will head to Washington. Franken, who resigned under pressure from his own party after he was accused of improper behavior by at least eight women, announced last Thursday that he would resign “in the coming weeks.”

His office hasn’t set a final departure date yet; Smith indicated it would likely be in early January.

Former ‘Apprentice’ contestant leaving White House

WASHINGTON (AP) — Omarosa Manigault Newman — the former “Apprentice” contestant who became one of President Donald Trump’s most prominent African-American supporters — was escorted off the White House grounds after resigning her post as a presidential adviser.

White House press secretary Sarah Huckabee Sanders said Wednesday that Manigault Newman’s last day will be Jan. 20, one year since Trump’s inauguration.

Manigault Newman was an assistant to the president and director of communications for the White House Office of Public Liaison, working on outreach to various constituency groups. But the office languished under

her watch and White House chief of staff John Kelly had indicated that changes were forthcoming, including her dismissal, according to two White House officials who insisted on anonymity because they were not authorized to speak publicly about personnel matters.

Better known by just her first name, Manigault Newman was escorted from the White House complex Tuesday night but was allowed to tender her resignation.

Manigault Newman, who drew a top salary of \$179,700, was one of Trump’s highest-profile supporters during the campaign.

Russian nuclear plant says it emits nuclear isotope

MOSCOW (AP) — A senior executive at the Russian nuclear processing plant suspected of being behind a spike of radioactivity over Europe

this fall admitted Wednesday that the isotope recorded does emerge as part of the plant’s production cycle but said its levels are negligible.

Russian officials last month reported high levels of Ruthenium-106 in areas close to the Mayak nuclear plant in the Ural Mountains.

The environmental group Greenpeace alleged that Mayak could have been the source of a Ruthenium-106 leak, but the plant said it has not extracted the isotope or conducted any other operations that may lead to its release “for many years.”

But Yuri Mokrov, adviser to Mayak’s director general, said in a webcast press conference Wednesday that Ruthenium-106 routinely emerges during the processing of spent nuclear fuel. Mokrov insisted, however, the plant was not the source of any major leak, saying it does not produce the isotope on purpose and that the emissions that the plant makes are so insignificant “we can only see it in the chimney.”

A Russian panel of experts dispatched to investigate the leak has failed to identify where the isotope came from, but alleged that it could have come from a satellite that came down from its orbit and disintegrated in the atmosphere. The commission said last week that a thorough inspection of the Mayak plant and its personnel had found no safety breaches.

“There is Ruthenium in spent nuclear fuel, and Mayak during its activities routinely comes across this isotope,” Mokrov said, adding that “actual emissions are hundreds times lower the permitted levels.”

Mayak, in Russia’s Chelyabinsk region, saw one of the world’s worst nuclear accidents on Sept. 29, 1957, when a waste tank exploded. That contaminated 9,200 square miles of territory and prompted authorities to evacuate 10,000 residents from neighboring regions.

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