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Congress leaves town focusing on spending instead of taxes

Normally the last week before the August recess is spent focusing on partisan priorities to talk about with constituents during the long break from DC. This year, however, the House focused on two spending bills and, due to a rebellion from the right wing of the conference, could only pass one before leaving town.

We were expecting the House to take up the Ways & Means passed tax bill that would have brought back the Research and Development Tax Credit, expanded the standard deduction, and increased Section 179 expensing. In the days leading up to the announcement of the final week schedule, it was rumored that enough high-tax-state Republicans were defecting over the lack of changes to the limitation of how much state and local taxes (SALT) can be deducted. Changing the limited SALT deduction is a priority for a handful of Republicans in blue states that represent wealthier districts where their constituents max out the SALT deduction. This is a stark contrast to the rest of the Republican conference which is focused on helping those who pay lower amounts of taxes to further reduce their tax bills.

With the end of the fiscal year coming up on September 30 and likely more disagreements within the Republican conference on the remaining spending bills, it is unlikely the House will have a chance to take up the tax bill until October, if not later in the year. For many in the business community, the passage of the House tax bill would have been an unofficial starting pistol to negotiating a larger end-of-year tax package to help clear the way for a future agreement on extending the Tax Cuts and Jobs Act. With this latest inaction, the business community will continue to face uncertainty.

DOE releases guidance for states to implement energy efficiency and electrification rebate programs

The U.S. Department of Energy has released guidance to implement two home energy rebate programs administered at the state level. The Inflation Reduction Act approved nearly \$9 billion to improve energy efficiency in homes across the country through electrification and whole-home energy usage. Many of the approved improvements will require updating wiring and service panels within the home, allowing NAED members to work with their customers to take advantage of the money flowing to the states.

Department of Labor preparing new rules on exemptions from overtime requirements for salaried workers

The Fair Labor Standards Act established requirements for paying overtime to certain workers who do not meet a minimum salary threshold or are exempted based on their duties. During the Obama and Trump Administrations, the

business community has urged the Department to make a limited update to these requirements. Now the Department of Labor is examining what positions are exempted from the minimum salary requirements. The proposed rule is expected to be published in September.

NAED joins industry in expressing concerns about “Build America, Buy America” guidelines to the White House

In early August, NAED joined six trade associations in sending a letter to the White House expressing concerns over guidance for the Administration’s Build America, Buy America program for future infrastructure projects. The guidance created unclear requirements in trying to implement the Infrastructure Investment and Jobs Act. Without clear and achievable guidance, it will be significantly harder for businesses to supply products to complete infrastructure projects funded by the legislation. NAED continues to work with our allies to put pressure on the Administration to release better guidance that can help businesses to comply with the Build America, Buy America program.

For more information:

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