



**2022 CEMA FALL MEETING  
GOVERNMENT AFFAIRS COMMITTEE MEETING**

Hilton Chicago O'Hare Airport, Chicago, IL

Tuesday, September 20, 2022

**REPORT**

**Past Proposed Legislation**

- **H.R.25 Fair Tax Act** – 1/4/21 Referred to the Committee on Ways and Means
- **H.R.2363/S.1081 Voluntary Protection Program** – 4/2021 Referred to Committee in both Senate and House.
- **H.R.1591 Create U.S. Manufacturing Officer Position** – 3/3/21 Referred to the Subcommittee on Consumer Protection and Commerce.
- **H.R.192 Targeting Rogue and Opaque Letters Act of 2021** – 2/2/21 Referred to the Subcommittee on Consumer Protection and Commerce.
- **H.R.78 Legal Workforce Act** – 3/1/21 Referred to the Subcommittee on Immigration and Citizenship.
- **H.R.842/S.420 PRO Act** – 3/2021 Referred to Committee in both Senate and House.
- **H.R.603/S.53 Raise the Wage Act of 2021** – 1/2021 Referred to Committee in both Senate and House.
- **H.R.2286 – Amend IRS Code “Death Tax”** – 3/29/21 Referred to Committee on Ways and Means.
- **H.R.5106** – Employers who used pandemic relief money would not be allowed to mandate vaccines. 8/27/21 referred to the Committee on Oversight and Reform.
- **S.3465 Save Local Business Act (related to Joint Employers)** - Read the 2<sup>nd</sup> time on 1/18/22. Placed on Senate Legislative Calendar under General Orders.
- **H.R.2212/S.1001 Pandemic Preparedness, Response, and Recovery Act** - 3/2021 Referred to Committee in both Senate and House.
- **H.R.4132/S.2239 Unnecessary Agency Regulations Reduction Act of 2021** - 6/2021 Referred to Committee in both Senate and House
- **H.R.7061 Big Oil Windfall Profits Tax Act** – 3/11/22 Referred to the Committee on Ways and Means.

**Recently Signed**

**H.R.5376 Build Back Better Act - Renamed “Inflation Reduction Act”** – became law 8/16/22

- Deficit reduction
  - New min tax on corporations with avg annual income over \$1B – est. to raise \$222B.
  - 1% excise tax on publicly traded companies on the excess of repurchased



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- corporate stock – est. to raise \$74B.
- \$80B over a 10-year period for IRS enforcement
- Sole proprietor or pass-through entity are limited on excess business losses – tax rule limits ability to offset investment or employment income with business loss – est. to raise \$54B
- RX pricing reform
- ACA Subsidies
- Energy Security
- USDA funding
- HUD loans and grants
- NOAA funding
- Fossil fuel rental rates/royalty rate increases
- EPA funding

#### **Taxes**

- Vast majority of proposed tax increases were not included in the Inflation Reduction Act
  - No changes to individual income tax rates and no surcharges on individuals, estates, and trusts with income over certain thresholds.
  - No hike in capital gains rate
  - Estate and gift tax rates, exemption amount, and stepped-up basis are unchanged – estate planning continued focus until Tax Cuts and Job Acts provisions sunset at end of 2025
  - Expansion of Medicare surtax to active business income did not occur – this would have been an additional 3.8%

#### **New Legislation**

##### **S.2992 American Innovation and Choice Online Act**

- Prohibits online platforms from engaging in specific acts, such as giving preference to their own products
- May not materially restrict or impede the capacity of competing business users to access or interoperate with the same platform

*Status:* Read in Senate on 3/2/22 and placed on the legislative calendar under general orders Would impact Amazon Prime, but with Amazon's cutback in FC expansion, not sure it would have any more of a significant decline in business.



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### **HR.1381/S.480 Main Street Tax Certainty Act**

- Makes permanent the small business tax deduction (Section 199A) for qualified business income – current law has deduction expiring after 12/31/25
- Allows eligible taxpayers to deduct up to 20% of QBI plus other deductions

Status: Read twice on 2/25/21 and referred to Committee on Finance

### **HR.8507 Scope 3 Act**

- Prohibits publicly traded companies from being required to disclose or provide their greenhouse gas emission or consumption info of their value chains
- 3/21/22, SEC proposed rules for climate change disclosure requirements:
  - Climate-change risks and their impacts on business, strategy, and outlook
  - Governance of climate-related risks and relevant risk management processes
  - Greenhouse gas emissions
  - Climate-related financial statement metrics and related disclosures
  - Info about climate-related targets and goals and transition plans
- Small businesses would have the burden of calculating and reporting greenhouse gas emissions and this would allow the SEC authority to regulate private businesses.

Status: 7/26/22 Referred to Committee on Financial Services

### **Turning tide on labor unions**

- Labor strikes and interest in unions have picked up
- Union petitions filed with NLRB up 57% from Oct to end of Mar
- Amazon, Apple, Starbucks, and Microsoft facing union drives
- Republican drive to limit unions
  - HR.2063/S.882 – Protecting American Jobs Act
    - \* Limits authority of NLRB – 3/18/21 – in Committee
  - HR.1275/S.406 – National Right to Work Act
    - \* Repeal provision allowing employers to make an agreement with the union to make membership conditions of employment. Currently, 27 states have laws against this – 2/24/21 – in Committee
  - HR.5178 – Truth in Employment Act – allows employers to not hire (prohibit salting) – 9/7/21 – in Committee

### **Chinese Tariffs**

- Possible launch of Section 301 investigation
  - Section 301 tariffs used in 2020 – legislation authorizes the president to punish foreign countries that compromise US exporters' rights abroad
    - \* Imposes substantial costs on American companies including those that use



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imported inputs to produce their exports

- \* 130 cases filed for 3rd and 4<sup>th</sup> rounds of tariffs; US Trade Representative (USTR) ruled they were legal
- Areas of additional tariffs
- Expand the list of tariff exclusions to aid US companies that can only source from China
- Treading carefully given the current climate with China and Taiwan
  - \* Scrap some and impose others – on hold

No letter-writing campaigns at this stage. Will wait for midterm results and see what legislation may be proposed and will address.

Respectfully submitted,  
Tamara Thimmel, Chair