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NAED Opposes the PRO Act

Congressional Democrats recently reintroduced the Protecting the Right to Organize (PRO) Act. The PRO Act is a well-intentioned bill that aims to strengthen labor laws and workers’ rights in the United States. Unfortunately, how the bill intends to achieve those goals defies the rules of economics and would create more harm than good for the private sector, especially small family-owned businesses. NAED opposes the PRO Act for the following reasons:

1. **Infringement on employer rights**: The PRO Act infringes on the rights of employers by limiting their ability to operate their businesses.
2. **Burden on small businesses:** If passed, the PRO Act would impose significant costs and administrative burdens on small businesses that would be required to comply with a variety of new regulations and rules. This would very likely lead to job losses and harm small businesses, which are already struggling due to the COVID-19 pandemic.
3. **Unions have too much power:** The PRO Act would prioritize union membership at the expense of employee welfare and privacy. The resulting increased labor costs could ultimately harm businesses and workers.
4. **Negative impact on 1099 workers:** The PRO Act could harm gig workers, who are currently classified as independent contractors and therefore not eligible for benefits like health insurance and paid time off. The PRO Act would make it easier for independent contractors to be classified as employees, which could lead to higher costs for businesses and potentially limit the flexibility of their work.

NAED opposes the PRO Act due to the impact it would have on businesses and the economy, as well as the perceived power imbalance between workers and employers. Supporters argue that the PRO Act is necessary to strengthen workers' rights and ensure that they have a stronger voice in the workplace. NAED supports empowering our people in a way that leads to win/win solutions to employer/employee issues. If passed, the PRO Act would do the opposite of its intended purpose by pushing workers out of the workforce and making it harder for businesses to operate.

House Republicans Push Permanent Tax Relief for NAED Businesses

In 2017, NAED worked with coalitions of other small business groups to help usher in a number of tax reductions, including the small business tax deduction, improved expensing laws, lower marginal rates across the board, and improvements that protect more family businesses from the hated death tax. As many of you are aware, because of budget rules in the Senate, Congress was forced to make many of these tax cuts temporary. The tax cuts helping NAED small businesses are amongst the 27 expiring tax provisions due to come up for reconsideration over the next two years. This critical tax relief will expire on December 31, 2025, meaning the next Congress and President will decide the fate of the tax code. NAED is pushing now in support of the Tax Cuts and Jobs Act Permanency Act, HR. 976 to make sure Congress understands how high of a priority addressing tax relief should be.

The bill's main sponsor, Rep. Buchannan of Florida said: "In 2017, Republicans delivered the most comprehensive overhaul of the U.S. tax code in more than three decades and achieved historic economic growth. With Americans continuing to suffer under the weight of record-high inflation and an uncertain economic future, we need to provide some much-needed relief and certainty to hardworking families and Main Street businesses and ensure these tax cuts do not expire."

The Biden Administration has voiced support for higher taxes on business and is not likely to support making these tax cuts permanent, however, public policy battles are fought between the 20's (to borrow a football analogy). If we don't continually push our priorities, the forces of higher taxes on business will gain ground in the debate. We will continue to keep you updated as Congress debates these tax policies.

DOE Releases Executive Summary Report to Bolster Domestic Manufacturing and Deployment of Clean Energy Technologies

The Department of Energy (DOE) has been gathering input from key stakeholders to increase domestic manufacturing and deployment of clean energy technologies, including transformers and grid components, solar photovoltaic components, as well as future technologies such as fuel cells. This information has been condensed into an Executive Summary Report was created to help DOE determine a path forward in utilizing $500 million in Defense Production Act (DPA) funds. In June 2022, President Biden released a presidential determination that DOE could use the DPA to increase domestic production and adoptions of clean energy technologies and in August 2022, Congress included $500 million in the Inflation Reduction Act to implement the program. The department sought input from companies, trade associations representing the supply chain, labor unions, energy and environmental justice groups, and environmental organizations.

The largest theme from the report is the need for long-term budgeting by the federal government in investments to encourage adoption, including incentives to consumers, education and workforce development for the installation of clean energy technologies, and direct purchases for use in government facilities. While Congress has appropriated nearly $10 billion for home energy efficiency upgrades and electrification on top of the $500 million in DPA funds, it is unlikely future funding will be appropriated to make other investments suggested in the report. One key recommendation that could impact NAED members is the use of "Buy American" policies in future projects; distributors would need to source products that meet the production standards included in these policies.

For more information:
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