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Reconciliation Update

On July 4, President Trump signed into law the reconciliation Act, dubbed the “One Big Beautiful Bill.”

A number of tax-related priorities important to NAED members were included in the final bill, including:

- Section 179 – Expensing deduction increased and made permanent
- Section 199A – Qualified Business Income Deduction for S-Corporations - retains the 20% rate, made permanent
- Section 168 - Full expensing restored and made permanent
- Estate Tax increased to \$15 million, indexed to inflation and made permanent

Unfortunately, the final bill scaled back a number of clean energy credits, including the 179D Energy Efficient Commercial Building Deduction, which was not initially changed by the House of Representatives.

The legislative text calls for terminating the credit for projects that begin construction after June 30, 2026.

Leading up to final passage NAED met with or communicated with several key Senate offices urging them to preserve the deduction. We also joined 84 organizations calling for a reversal of this position.

The 179D Energy Efficient Commercial Building Deduction is a longstanding, bipartisan policy that has driven private investment in energy-efficient building upgrades, including, but not limited to, advanced lighting.

Moving forward, NAED will continue to communicate the importance of the deduction to our industry.

Veterans Energy Workforce Bill Introduced

On June 24, Congresswoman Jen Kiggans (R-VA) and Congresswoman Chrissy Houlahan (D-PA), both military veterans and members of the House Armed Services Committee, introduced the bipartisan [Veterans Energy Transition \(VET\) Act](#). The legislation aims to connect transitioning service members and their spouses with high-quality jobs in America's energy sector, focusing on manufacturing, distribution, and contracting.

The VET Act provides up to \$10,000 per participant to cover training, certification, relocation, and onboarding costs, with additional support for veterans facing challenges such as disabilities or homelessness. It also incentivizes businesses in Opportunity Zones to hire veterans, fostering economic growth in underserved areas.

Supported by NAED, NEMA, NECA, and the Niskanen Center, the bill aims to encourage career opportunities for the approximately 200,000 servicemembers transitioning from military service every year.

Following the introduction, Wes Smith, President and CEO of NAED released the following statement:

"The National Association of Electrical Distributors (NAED) is grateful for the work that Congresswoman Kiggans and Congresswoman Houlahan have put into this effort to introduce the VET Act.

"Our industry, like others, is facing significant workforce challenges, which will only get worse if we fail to act. At the same time, approximately 200,000 service members transition from active duty each year and are an ideal pool of talent that are trained, highly motivated, and uniquely equipped to help the nation build, distribute, and install the electrical infrastructure needed to keep America's economy on the cutting edge.

"As an Air Force veteran, I know firsthand how rewarding and vital this work is to our nation's future and am excited to welcome a new generation of professionals needed to get the job done."

Liability Legislation

On June 27, Congresswoman Marian Miller-Meeks (R-IA) introduced the [Limiting Liability for Critical Infrastructure Manufacturers Act](#).

The bill seeks to shield manufacturers from wildfire-related lawsuits unless there is clear evidence of willful misconduct. It applies to companies in the “critical manufacturing sector” as defined by federal cybersecurity law, referencing the definition of critical infrastructure established under the USA PATRIOT Act, which includes electrical transformers.

NAED President and CEO Wes Smith’s Statement on the Introduction of the Limiting Liability for Critical Infrastructure Manufacturers Act:

“The United States is making significant progress to reshore manufacturing of critical grid components that will ensure a safe, reliable, and resilient supply of electricity for our homes, businesses, and industries.

“However, frivolous lawsuits stemming from the increased threat of wildfires could disrupt this vital domestic supply chain. The Limiting Liability for Critical Infrastructure Manufacturers Act will help sustain this momentum by providing U.S. manufacturers with greater certainty and protection from these claims.

“NAED is grateful for the leadership of Representatives Mariannette Miller-Meeks, Thomas Tiffany, and Robert Latta in introducing this important legislation, and we are happy to support their efforts to secure our nation’s critical infrastructure.”