



**WASHINGTON WIRE**

## October 2024

### Election Season and Post-Election Outlook

With less than two weeks until the election, lawmakers and candidates are in full campaign mode. After passing a temporary budget extension last month to fund the government, Congress left Washington to allow lawmakers to return home to campaign in their states and districts.

The presidential race is clearly drawing the most attention and will likely be decided by the outcome in seven key swing states. While the election results will significantly impact the federal government's approach to individuals and businesses in the years ahead, regardless of the results, NAED will continue to work with policymakers from both parties on issues important to our members.

### Post-Election and Lame Duck Session

After the election, but before the new administration takes office and Congress convenes, a "lame duck" session will occur. During this period, Congress will address critical matters, including a funding extension to avoid a government shutdown after December 20, disaster relief, and other legislative items.

House Republicans will hold leadership elections starting November 12. If they retain the majority, Speaker Mike Johnson is likely to stay in power; otherwise, leadership changes may occur. If House Democrats win, Hakeem Jeffries, Katherine Clark, and Pete Aguilar are expected to retain leadership roles in their party. In the Senate, Republicans face a leadership contest among John Thune, John Cornyn, and Rick Scott, while Democrats are likely to keep Chuck Schumer in his leadership position.

### Key Lame Duck Issues

In addition to finalizing budgets for government agencies, and funding for disaster and recovery relief, Congress could consider the following items depending on the outcome of the election.

### 1. Permitting Reform

Congress could advance a bipartisan permitting reform bill backed by Senators Joe Manchin and John Barrasso. The bill aims to speed up energy project approvals, benefiting both fossil fuel and renewable sectors.

### 2. Renewable Incentives

Senator Sherrod Brown introduced bipartisan legislation to prevent companies linked to foreign adversaries from accessing advanced manufacturing tax credits. The bill, designed to protect U.S. solar manufacturing, targets entities associated with China, Russia, Iran, and North Korea.

### 3. Business Compliance Legislation

While some praise Senator Brown for his stance on foreign-linked companies, NAED and others criticized him for blocking the Corporate Transparency Act (CTA). The CTA, which has strong bipartisan support, aims to ease compliance burdens for small businesses. More than 150 organizations, including NAED, have called for action on this bill before the end of the year (more on CTA info below).

## Corporate Transparency Act (CTA) Update

Starting this year, more than 32 million small businesses are now newly required to provide information on “beneficial ownership” to the Financial Crimes Enforcement Network ([FinCen](#)). For NAED businesses with questions about complying with this law, consult your tax professional and consider reviewing a webinar from the S-Corp Association, which takes a deep dive into CTA compliance [here](#).

NAED is pushing Congress to adopt legislation that would officially delay implementation of the law until small businesses can catch up with the compliance requirements. NAED partnered with 150 other small businesses associations in [urging the Senate](#) to follow the House’s lead and act on this legislation.

Senator Sherrod Brown (D-OH) who is locked in a tough reelection fight, appears to be the main Senator holding up CTA delay. In response, our allies are running a full-court press in Ohio. The Associated Builders and Contractors are now running [this CTA ad](#) in Ohio. In addition, these op-eds by the [Job Creators Network](#) and [Ohio Chamber](#) call on Senator Brown to drop his opposition.

## NAED Files Comments with Tax Teams

One of the most consequential coming policy fights for NAED members will be advocating for an extension of certain provisions of the 2017 “Tax Cuts and Jobs Act” (TCJA). TCJA included several helpful reforms for NAED members: cutting marginal tax rates across the board, increasing the death tax exemption, creating a new small business tax deduction, improving equipment expensing laws, and cutting the corporate tax rate. As we have reported here, if no law is passed before December of next year, taxes are scheduled to go up across the board. The tax-writing House Ways and Means Committee under the leadership of Chairman Jason Smith (R-MO) created new working groups to address specific areas of the expiring Tax Cuts and Jobs Act (TCJA). The working groups include American Manufacturing, Working Families, American Workforce, Main Street, New Economy, Rural America, Community Development, Supply Chains, U.S. Innovation, and Global Competitiveness.

NAED filed comments available [here](#) with several of the Tax Teams which detail our main priorities in tax reform, including extending important improvements which lowered taxes on our members, maintaining energy efficient tax credits/deductions, and ensuring parity with respect to the tax treatment of C corps and S corps.

Expiration of 2017 tax relief represents the most potentially damaging legislative threat to our members, and we will keep you updated as our team digs in to make sure taxes are not increased on NAED businesses. Our DC advocacy team, Bud DeFlaviis and Palmer Schoening, are currently working hand-in-hand with the Ways and Means committee to make sure our members’ stories are told.

## Looking Ahead: 119th Congress and Electrification Incentives

Tax reform will be top of mind for the next Congress, regardless of who is in control. The most consequential set of tax provisions centers on whether to extend the 2017 Tax Cuts and Jobs Act (TCJA) provisions. These provisions have been extremely helpful to NAED members, and we will continue to press for their continuation.

On alternative energy and electrification incentives, if Republicans do win control of the House, Senate, and presidency, Speaker Mike Johnson has indicated plans to cut spending from the 2022 Inflation Reduction Act while preserving some clean energy tax credits. His cautious approach reflects a balancing act between conservative calls to repeal the law and Republicans who benefit from its provisions. Johnson's stance suggests he may target broader climate regulations rather than tax credits, though environmental advocates warn this could hinder progress. In addition, last month 18 House Republicans [wrote to Johnson](#) and encouraged him to take a thoughtful approach to IRA tax incentives.

## Energy Trends – Electricity Demand

A report from [Wood Mackenzie](#) warns that U.S. utilities are unprepared for a projected 4% to 15% surge in electricity demand by 2029. Factors driving growth include data center expansion, a manufacturing revival, and increased electrification. Challenges such as slow permitting and coal plant retirements may hinder the timely expansion of infrastructure, requiring policymakers to accelerate permitting, invest in grid technologies, and collaborate with industry stakeholders. This report underscores NAED's consistent push for grid upgrades as a necessary pre-cursor to large scale electrification efforts.

## NAED Site Visit/Host your Member of Congress on Site

Bud DeFlaviis, NAED's Director of Government Relations, recently toured the Border States distribution center in Chantilly, Virginia, to better understand the role of NAED members play in America's electrification efforts.

Are you interested in hosting your member of Congress for a site visit? If so, NAED can help you arrange similar tours for lawmakers to increase understanding of the industry's challenges.

We are also inviting NAED members to share your personal stories about your business and detail the policy hurdles they have faced along the way.

Part of NAED's strength as an association is our ability to reach every lawmaker in every district and state, and we want to share your stories with lawmakers who help craft the laws that impact our daily lives.

If you are interested in hosting a walk-through visit or have a compelling personal story about your business, please contact Bud at: [Bud@naed.org](mailto:Bud@naed.org).

## Bernie Sanders is working for the (3 day) Weekend

One to keep watching: Senator Bernie Sanders (I-VT) who serves as Chair of the Senate Committee on Health, Education, Labor, and Pensions (HELP) introduced the Thirty-Two Hour Workweek Act, which just as it sounds would shorten the standard workweek to 32 hours over four years by lowering the "maximum hours threshold for overtime compensation for non-exempt employees."

The Sanders press release said: "Moving to a 32-hour workweek with no loss of pay is not a radical idea. In fact, movement in that direction is already taking place in other developed countries. France, the seventh-largest economy

in the world, has a 35-hour workweek and is considering reducing it to 32 hours. The workweek in Norway and Denmark is about 37 hours a week. In the United States, a recent study found that 35 million workers in the United States—or 28 percent of the total workforce—could have a four-day workweek within a decade due to AI-led productivity gains.”

Senator Cassidy (R-LA), Sanders’ counterpart on the HELP Committee opposed the legislation and during a hearing on the bill said: “the government mandating a 32-hour workweek while requiring businesses to increase pay at least an extra 25 percent per hour of labor will destroy employers, forcing them to either ship jobs overseas or dramatically increase prices to try and stay afloat...If a business wants to voluntarily try a 32-hour workweek for themselves, federal law already allows it. But for businesses that need to maintain a 40-hour workweek to remain competitive, not only locally, but globally— a government-mandated 32-hour workweek would be catastrophic.”

Though Senator Cassidy labeled the effort a “fringe proposal”, one labor lobbyist quipped that the Senate is accustomed to only working Tuesday through Thursday so perhaps Sanders and his colleagues think that they are actually adding a day to the work week with this proposal. Our DC team will remain on high alert for any further movement on this issue.

Thank you for staying engaged with our advocacy efforts and feel free to reach out to Bud DeFlaviis ([Bud@NAED.org](mailto:Bud@NAED.org)) or Ed Orlet ([EOrlet@NAED.org](mailto:EOrlet@NAED.org)) directly with any questions or comments.