SPFA 2015 Legislative Update

A Unified Legislative Branch
2014 Election Results

- **U.S. Senate**
  - Was 55 – 45 Democrat Majority
  - Now 54 – 46 Republican Majority

- **U.S. House**
  - Was 234 – 201 Republican Majority
  - Now 247 – 188 Republican Majority

- First unified Congress since 2008 – 2010
Lame Duck Actions

- Cromnibus Appropriations Bill
  - Extended all government funding through Sept. 30
  - But funds Dept. of Homeland Security only thru Feb. 28

- Tax Extenders Bill
  - Renewed 55 tax credits retroactively thru Dec. 31, 2014
  - But made no changes to the tax credits

- President thwarted 2-yr extenders deal with changes
  - Senate and House leaders had wanted EXPIRE Act
Provisions of Senate Finance Committee’s Expire Act

- R&D tax credit through 2015
- 15-year depreciation for leasehold improvements, restaurant building and improvements, and retail improvements
- 50% bonus depreciation for qualified property
- Sec. 179 expensing maximum amount of $500,000 for new equipment, machinery, certain vehicles and software
- Energy Efficient New Home Tax Credit (IRC Sec. 45L)
  - $2,000 credit per home for builders
  - Homes qualify if they reduce heating/cooling consumption by 50%
- Commercial Building Tax Deduction (IRC Sec. 179D)
  - $1.80 per sq. ft. for 50% energy savings below ASHRAE 90.1-2004
- Residential Energy Efficiency Tax Credit (IRC Sec. 25C)
  - 10% of costs for qualified improvements with $500 cap
  - Includes corrected roofing language!
Commercial Building Tax Deduction (IRC Sec. 179D)

- Provides owners deduction of $1.80 per sq. ft.
  - Building must achieve 50% energy savings above ASHRAE 90.1-2004
  - Deduction based on building floor area

- Pro-rated for buildings not meeting total target
  - $.60 per sq. ft. for 3 subsystems meeting energy-saving targets

- Pro-rated targets are 20-20-10% or 25-15-10% for:
  - Energy Efficient Lighting Property
  - Energy Efficient Heating, Cooling, Hot Water Property
  - **Energy Efficient Building Envelope Property**
Energy Savings & Industrial Competitiveness (ESIC) Act

- Championed by Sens. Shaheen (D) and Portman (R-OH)
  - Has bipartisan support

  - Energy-efficiency targets could be proposed by Energy Sec.

- Goals attained through Nat’l Model Bldg. Energy Codes
  - Coordinated with ICC & ASHRAE
  - Established by rulemakings subject to SBREFA
  - Technologically and Economically Feasible thresholds
  - DOE must disclose Energy Savings and ROI analysis
  - ESIC Act in last Congress included amendment on LEED
President’s Executive Order and Prospects for Reform
Immigration Accountability Executive Action, Nov. 20, 2014

- Expands current Deferred Action for Childhood Arrivals (DACA)
  - Now available to undocumented who entered U.S. before 01/01/10
  - Previously it was 06/15/07
  - Work auth. & relief from deportation expanded from 2 to 3 years

- Initiates Deferred Action for Parental Accountability (DAPA)
  - Defers deportation for adult parents of children who are:
    - U.S. citizens or Lawful Permanent Residents (LPR)
  - Parents must demonstrate they:
    - Have been in U.S. five years as of Nov. 20, 2014
    - Have children who are U.S. citizens or LPRs
  - Those who qualify get work permit, 3-year deportation reprieve
  - DHS (CIS) trying to ready application process by June 2015
Regulatory Wildfire

- OSHA Proposed Silica Rule
- OSHA Initiatives on Tracking Workplace Injuries and Illnesses
- OSHA Proposed new column in Injury and Illness Log for Musculoskeletal-Disorder (MSD) Injuries
- EPA Rules; New Rules for Federal Contractors; NLRB Rules and Decisions
Affordable Care Act

- Regulations number over 15,000 pages

- Employer Mandate and Penalties started in 2015

- But, U.S. Supreme Court will hear new case
  - King v. Burwell challenges fed. subsidies where no state exchange
  - SCOTUS will hear oral arguments on March 4
  - Decision expected by end of June
Republican Senate Majority Changes the Equation

- Keystone Pipeline Vote

- Votes to Repeal Obamacare Taxes
  - Medical device tax
  - HIT Tax
  - Reinsurance surtax

- Defund Regulations through Appropriations Bills
Questions?

Craig Brightup
The Brightup Group LLC
8 E Street, SE
Washington, DC  20003
202-827-3352 (o)
craig@thebrightupgroup.com
www.thebrightupgroup.com