



Federal Advocacy Update

March 29, 2023

Small Business Growth Agenda

- **Taxes** Small Business Deduction (§ 199A) permanency & IRS enforcement
- **Labor** *Protect the Right to Organize (PRO) Act*
- **Regulations** Defend against overreach by EPA, DOL, SEC
- **Reg Reform** Require agencies to follow current law & increase small business input
- **Healthcare** Increase options, expand tax credit, & rein in anticompetitive practices
- **Competition** Provide credit card network competition & rein in Big Tech

Legislative Calendar

- **March 9** President Biden releases Fiscal Year 2024 Budget Proposal
- **April – May** IRS reveals “operations plan” for \$80 b in new funding
- **May 11** Covid Public Health Emergency ends
- **July – September** **Debt ceiling extraordinary measures exhausted**
- **September 30** **Federal government funding expires; Farm bill expires; NFIP expires**
- **December 31** **National Defense Authorization Act deadline; temporary Medicare policies**
- **December 31, 2025** Expiration of 2017 tax law (*Tax Cuts and Jobs Act*)

New Congress

What to Expect

OPPORTUNITIES

CHALLENGES

- Tax increases from President's Budget Proposal & IRS Enforcement Expansion
- Federal paid leave & minimum wage increase compromises
- Burdensome regulations - ex. DOL, EPA, & SEC
- Closely-divided Congress = minimal activity

President Biden's FY2024 Budget

- **Corporate Taxes** Increases corporate tax rate from 21% to 28%
- **Individual Taxes** Increases top individual rate from 37% to 39.6%
Lowers top individual rate threshold from \$693,750 to \$450,000 (joint)
- **New Taxes** Expands 3.8% investment tax to small business income above \$400,000
Increase 3.8% tax rate to 5%
- **Retirement Taxes** Nearly doubles top capital gains rate to 44.6% for income over \$1 million
Repeals "step-up in basis" when family-business assets are passed on
- **More IRS** Proposes an additional \$29.1 billion for enforcement activities

New Congress

What to Expect

OPPORTUNITIES

CHALLENGES

- Tax modifications – Small Business Deduction permanency, R&D amortization, bonus depreciation, 1099-K reporting threshold
- Congressional Review Act resolutions of disapproval – EPA WOTUS, DOL ESG
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NFIB Key Votes

- **House** Repeal of IRS enforcement funding (H.R. 23)
 CRA resolution of disapproval of EPA's WOTUS rule (H.J.Res. 28)

- **Senate** CRA resolution of disapproval of EPA's WOTUS rule (H.J.Res 28) – **TODAY!**

Share your story!



NFIB Engagement Opportunities

- **Member Ballot** Tax reporting, reg reform, healthcare competition, energy & permitting, & overtime eligibility
- **Take Action** NFIB Federal Advocacy Center & NFIB Engage Mobile App
- **Questions?** info@nfib.org

QUESTIONS?