

H.R. 7024: TAX RELIEF FOR AMERICAN FAMILIES AND WORKERS

Note: This PDF provides a concise overview of the key aspects of H.R. 7024: Tax Relief for American Families and Workers Act and ABMA's stance. Additional details and updates can be obtained by subscribing to ABMA's weekly newsletter the Advocate.

ABMA supports H.R. 7024, which recently passed with bipartisan approval (357-70) in the House. This legislation, aimed at retroactively extending key tax benefits, faces challenges in the Senate. A focus for ABMA Advocacy Day will be thanking our house members for advancing this bill, while convincing our Senators to send it to the President's desk.

Background:

The Tax Relief for American Families and Workers Act builds upon the Tax Cuts and Jobs Act (TCJA) of 2017, spearheaded by the Trump administration, which aimed to simplify the tax system, stimulate economic growth, and provide relief to individuals and businesses. The Tax Relief for American Families and Workers Act seeks to continue these policies.

Key Provisions:

- **Extension of Bonus Depreciation (Section 203):** This allows businesses to deduct the full cost of property purchases immediately. It encourages investments in equipment and facilities, boosting efficiency and competitiveness.
- **Increase in Limitations on Expensing of Depreciable Business Assets (Section 204):** This lets businesses deduct more of their property purchase costs immediately, rather than depreciating them over time. This can lower taxable income and improve cash flow, allowing for reinvestment and providing additional resources for expansion and improvement.
- **Deduction for Domestic Research and Experimental Expenditures (Section 201):** Research and development (R&D) activities supported by this deduction could lead to the development of new and improved products, building materials, or manufacturing processes relevant to the sector.
- **Extension of Allowance for Depreciation, Amortization, or Depletion in Determining the Limitation on Business Interest (Section 202):** This extension provides relief for businesses with prominent levels of debt financing. It reduces the tax burden on interest payments, which can free up capital for investment in inventory, equipment upgrades, or other business needs.

What ABMA Members Should Know:

While the TCJA introduced significant reforms, it also included phase-outs for certain provisions over time, necessitating the need for further legislative action to maintain crucial tax benefits.

Senate Finance Committee Chair Ron Wyden, has shared alarming data from the Treasury Department regarding the potential consequences for small businesses if the senate fails to pass this legislation. The data reveals that:

- **Nearly 4 million** small businesses are at risk if the Senate fails to act promptly.
- **Around 10,000** small businesses heavily invested in R&D face unprecedented disruption.
- **Without immediate action**, these businesses face disruptions, layoffs, and even closure.

For more information and advocacy support, please contact the ABMA Government Relations Office: Francis Palasieski fpalasieski@abmalliance.org or 518-880-6376.

S1838: THE CREDIT CARD COMPETITION ACT (CCCA)

Note: This PDF provides a concise overview of the key aspects of S. 1838 - The Credit Card Competition Act and ABMA's stance. Additional details and updates can be obtained by subscribing to ABMA's weekly newsletter [the Advocate](#).

ABMA remains steadfast in its advocacy for [The Credit Card Competition Act \(CCCA\)](#), urging lawmakers to prioritize its passage to address the pressing concerns of small businesses and consumers alike.

Background:

The Credit Card Competition Act (CCCA) has emerged as a critical legislative priority amidst concerns over the significant burden imposed by credit card companies' fees on small businesses. Sponsored by U.S. Senate Majority Whip Dick Durbin (D-IL) and U.S. Senator Roger Marshall (R-KS), this bipartisan initiative aims to inject competition into the credit card network market, currently dominated by Visa and Mastercard. The CCCA seeks to alleviate the financial strain faced by merchants and consumers by fostering a more competitive and fair credit card market.

Key Objectives:

- **Enhanced Competition:** Building upon debit card competition reforms enacted in 2010, the CCCA directs the Federal Reserve to ensure that major credit card-issuing banks offer a choice of at least two networks for electronic credit transactions, with one being a non-Visa/Mastercard network.
- **Cost Savings:** The legislation aims to save merchants and consumers an estimated \$15 billion annually by fostering competition in the credit card network market, currently dominated by the Visa-Mastercard duopoly.
- **Consumer Relief:** By introducing competitive dynamics, the CCCA aims to alleviate the burden of high credit card fees on consumers, small businesses, and retailers, addressing concerns about inflation and rising prices.

Key Provisions:

- **Network Choice:** The CCCA requires large credit card-issuing financial institutions (those with assets over \$100 billion) to enable at least two credit card networks on their cards, with one network being a non-Visa/Mastercard option.
- **Market Competition:** The bill introduces a competitive framework by allowing merchants to choose which network to use for processing transactions, promoting better service and lower costs.
- **Consumer Impact:** By reducing excessive credit card fees, the CCCA aims to positively impact consumer spending and alleviate the financial strain on small businesses, ultimately contributing to a more competitive and fair credit card market.

What ABMA Members Should Know:

As retailers grapple with substantial swipe fees, ranking just below labor costs, their ability to invest in expansion is stifled. The year 2022 witnessed a staggering \$126.4 billion in swipe fees paid by U.S. retailers, marking a significant 20% increase from the preceding year. With a resounding 81% of consumers backing legislation aimed at fee reduction, and 73% expressing trust in small businesses over large banks for advocating fair policies, it's evident that consumer sentiment favors change.

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STRENGTHENING AMERICA'S SUPPLY CHAIN

Note: This PDF provides a concise overview of the key aspects of legislation addressing ABMA's stance on the ongoing CDL shortage and supply chain issues. Additional details and updates can be obtained by subscribing to ABMA's weekly newsletter the Advocate.

ABMA is engaged in advocating for a comprehensive supply chain legislation package which includes provisions from ABMA's 2023 priorities—the LICENSE Act and SHIP IT Act.

Background:

The House Transportation and Infrastructure Committee recently approved a [comprehensive legislative package](#) targeting the strengthening of the U.S. supply chain. This strategic initiative aims to address vulnerabilities and enhance efficiency in key areas. Central to this effort are the provisions derived from two pivotal pieces of legislation:

- **H.R. 3013 The LICENSE Act:** This legislation aims to make permanent two waivers issued by the Federal Motor Carrier Safety Administration (FMCSA) in response to the COVID-19 pandemic. These waivers alleviate regulatory hurdles for Commercial Driver License (CDL) testing and allow commercial learner's permit (CLP) holders to operate trucks with licensed CDL drivers in the cab, not just the front seat.
- **H.R. 471 The SHIP IT Act:** Allows for special permits during national emergencies, grants for truck driver training, tax credits for commercial truck drivers, and funding for commercial vehicle parking projects. Additionally, it seeks to improve safety data collection and exemption for zero-emission vehicles, addressing critical needs in the trucking industry.

Other provisions include:

- **Truck Parking Safety Improvement Act:** Fixes problems with truck parking and makes it easier for truck drivers to find places to rest.
- **To amend title 23, United States Code:** Establishes an axle weight tolerance for certain commercial motor vehicles transporting dry bulk goods providing regulatory clarity and flexibility.
- **The DRIVE Safe Integrity Act:** Creates a training program for drivers under 21 focused on teaching and keeping young drivers safe.
- **The Supply Chain Improvement Act:** By focusing on projects that enhance supply chain resilience, the bill aims to strengthen the nation's infrastructure and promote efficiency and reliability in the transportation of goods.

What ABMA Members Should Know:

The COVID-19 pandemic led to driver layoffs, health concerns, and training disruptions in the trucking industry, resulting in a record deficit of 80,000 drivers in 2021. While strides have been made, supply chain vulnerabilities remain. Due to continued disruptions, a freight recession occurred in 2023. Moreover, the ongoing challenge of recruiting drivers, particularly from the younger workforce, persists as a significant issue for the industry. Projections indicate that the shortage of over 60,000 drivers in 2023 will escalate to 82,000 in 2024.

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