



# NATIONAL GRANGE

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## Legislative Update

December 2015

### Congress Plays Santa Then Leaves Town

The first session of the 114th Congress has adjourned. During a final week filled with long hours of debate and dozens of votes, Congress passed two massive end-of-year measures. Amid threats of a political stalemate over funding for FY'16 that could force a federal government shutdown, Washington was able to cross party lines and divisions within the Senate and House to pass another omnibus funding package. The package is known as an omnibus because it combines 12 appropriations bills. Bipartisan votes of 65-33 in the Senate and 316-113 in the House sent the omnibus to the President who signed it a few hours later. This legislation funds the agencies of the federal government through September 30, 2016. In addition to funding the government, the omnibus resembles an extraneous Christmas tree with assorted goodies and presents unrelated to appropriations. Earlier last week, Congress also passed, and the President signed, a sweeping tax extenders bill. This legislation also had bipartisan support. Here are some items of interest to Grangers in both packages.

### The Omnibus Package

#### The "Cadillac" Tax and More

The so-called Obama Care "Cadillac Tax" is suspended for five years. This is a 40% excise tax on high end employer sponsored health insurance plan premiums. The medical device tax and the health insurer tax have also been delayed. These taxes were intended to help pay for the law which may not bode well for the Affordable Care Act's long term sustainability.

#### Crude Oil Exports

The spending bill lifts a decades-old ban on crude oil exports.

#### Visa Waiver Program

Foreigners from certain allied countries have traditionally been allowed to travel to America without a visa. Language in the omnibus prevents individuals from visiting the U.S. without a visa if they've previously traveled to countries where Islamic State terrorist groups are most active.

#### Country Of Origin Labeling (COOL)

The COOL law which required meat to be labeled with its country of origin was repealed. This action prevents Canada and Mexico from imposing \$1.1 billion in retaliatory tariffs against U.S. goods and services authorized by the World Trade Organization December 7, 2015.

#### Dietary Guidelines

A provision says the guidelines must be "based on scientific agreement " and "limited in scope to nutritional and dietary" to ensure extraneous environmental factors are not used in writing new dietary guidelines.

### **EPA Overreach**

There will be no new funding for new or expanded EPA regulatory programs. EPA is also prohibited from applying greenhouse gas emissions regulations to livestock producers.

### **Prescription Drugs**

The Secretary of Health and Human Services to submit a report to Congress concerning price changes of prescription drugs, access to prescription drugs by patients, patient satisfaction with care and an analysis of the current cost and length of time necessary to bring new drugs to the market.

### **Land and Water Conservation Fund**

The fund, which was in danger of losing its funding, has been revived and renewed for three years.

### **Measures that Failed to Make the Omnibus Package**

Ending President Obama's executive actions on immigration

Restricting the Syrian and Iraqi refugee program

GMO ingredient food labeling

Defunding Planned Parenthood

## **Protecting Americans from Tax Hikes Act**

### **Agriculture Research**

A new class of public charities called "agricultural research organizations" has been created. This new legislation will allow individual donations to qualifying entities to receive the same tax deduction treatment as contributions to educational organizations or churches. Only entities "directly engaged in the continuous active conduct of agricultural research" with land grant universities and agricultural colleges would be eligible for the new tax consideration.

### **Renewable Energy**

The production tax credit for wind energy has been extended for five years.

The investment tax credit for solar energy has been extended for five years.

### **Earned Income Tax Credit**

This provision will become permanent law.

### **Child Tax Credit**

This provision will become permanent law.

### **Research and Development Tax Credit**

This provision will become permanent law.

### **Investment Tax Credit**

This tax break for investments in new equipment and software upgrades will become permanent.

### **Bonus Depreciation Allowance**

This allowance has been extended for five years (50% for 2015-2017, 40% for 2018, 30% for 2019)

### Section 179 Expensing

This section of the tax code allows farms and businesses to write off expenses up to \$500,000 and has now been made permanent and indexed to inflation

### Biodiesel and Renewable Diesel Incentives

This \$1.00/gallon tax credit provision has been extended two years

### Alternative Fuels

The 50 cents/gallon tax credit for alternative fuels and alternative fuel mixtures is extended two years

## Congressional Agenda for the 2016 Second Session

### GMO Labeling Laws and Disclosure Standards

The clock is ticking for Congress to act. A Vermont labeling law is set to take effect in July, 2016. Failure to enact federal preemption measures could open the door to multiple different state labeling requirements beginning in New York, Connecticut, Oregon and others.

### School Nutrition Program

Legislation to reauthorize school nutrition standards is high on the priority list. A major issue will be how much flexibility local school districts will have to determine foods and menus for their students.

### What's Possible

Many more important issues are sitting and waiting. But the real question is what is doable in 2016? Presidential primaries, congressional races and the general election will dominate the politics of Washington. Rhetoric will be loud; congressional activities will be many; legislative accomplishments will be few.

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