

Washington, D.C. Update: COVID and Policy Developments

Prepared by

The Franklin Partnership, LLC

Policy Resolution Group at Bracewell

November 19, 2021



Your Team in Washington, D.C.



Lobbying Firm – The Franklin Partnership, LLC

- Bi-partisan Washington, D.C.-based government relations firm
- Representing manufacturing industry since 2002
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- Support Franklin Partnership government relations efforts by designing and implementing coordinated strategic communications strategy
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Nothing contained in here shall be deemed legal or financial advice.

Contents

- Federal Agency Actions
- Infrastructure and Reconciliation
- Tax Provisions
- Steel, Aluminum Tariffs

All information presented as of November 19, 2021

OSHA, CDC, EEOC and Other Agency Actions

CDC: Investigating & Responding to COVID Workplace Cases

Investigating and responding to COVID-19 cases in non-healthcare work settings

Updated Oct. 25, 2021:

Added information about considering worker vaccination status when investigating or responding.

- Interviewing cases and contacts in the workplace can use a standard questionnaire, which follows CDC guidance for [case investigation](#) and [contact tracing](#). Questions asked in a workplace setting should address:
 - **Vaccination status**
 - History of [symptoms of COVID-19](#)
 - Known exposures to other confirmed or probable cases in and outside of the workplace (e.g., in the household or community)
 - General work practices
 - Workplace controls (including PPE), and any breaches in the controls that occurred prior to the case becoming infected
 - While in-person interviews are often used in outbreak investigations, during the COVID-19 pandemic, every effort should be made to interview workers by telephone or video conference instead of in-person to better protect investigation staff.
- Developing and implementing systems and procedures to provide ongoing monitoring of workers at risk could include:
 - **Vaccination status** monitoring
 - Enhanced symptom and illness monitoring and record keeping to document all exposed and symptomatic personnel. This includes daily/pre-shift [symptom](#) screening performed by employee healthcare staff or contractors. An electronic monitoring and notification system can also be used to provide ways for employees to self-report and monitor symptoms through a website or mobile app, with alerts sent to a health professional.
 - Absenteeism monitoring with special focus on absences due to COVID-19-like-illness (CLI).

CDC Vaccination Program Webpage

Workplace Vaccination Program

Updated Nov. 4, 2021 Languages ▼ Print

On this Page

Consider COVID-19 Vaccination Options for Your Employees

Build Confidence in COVID-19 Vaccines

Best Practices

Vaccination On Site at the Workplace

Vaccination Off Site in the Community

Other Considerations

Vaccine Requirements & Exemptions

Vaccinated Workers

Other Resources

Federal Contractor FAQ Updated Nov. 10, 2021

UPDATED Q: Are the workplace safety protocols enumerated in the Task Force [Guidance for Federal Contractors and Subcontractors](#) the same irrespective of whether the work is performed at a covered contractor workplace or at a Federal workplace?

A: Yes. The Task Force Guidance applies to all covered contractor employees and to all contractor or subcontractor workplace locations. While at a Federal workplace, covered contractor employees must also comply with any additional agency workplace safety requirements for that workplace. Because covered contractor employees working on a covered contract need to be fully vaccinated after January 18, 2022, covered contractor employees who work only at a Federal workplace need to be fully vaccinated by that date as well, unless legally entitled to an accommodation.

Federal Contractor FAQ Updated Nov. 10, 2021

NEW

Q: Is there sample signage that a covered contractor can post at entrances to covered contractor workplaces providing information on safety protocols?

A: Yes. Covered contractors should post signage at entrances to covered contractor workplaces providing information on safety protocols for fully vaccinated and not fully vaccinated individuals and instruct individuals to follow the appropriate workplace safety protocols while at the covered contractor workplace. Sample signage for areas of high or substantial levels of community transmission can be found [here](#). Sample signage for areas of low or moderate levels of community transmission can be found [here](#).

Federal Contractor Posters

**MASKS
REQUIRED**



6FT DISTANCE **NOT REQUIRED**
IF YOU ARE FULLY VACCINATED



6FT DISTANCE **REQUIRED**
IF NOT FULLY VACCINATED



OSHA Main Page on Vaccine Mandate ETS

On November 12, 2021, the U.S. Court of Appeals for the Fifth Circuit granted a motion to stay OSHA's COVID-19 Vaccination and Testing Emergency Temporary Standard, published on November 5, 2021 (86 Fed. Reg. 61402) ("ETS"). The court ordered that OSHA "take no steps to implement or enforce" the ETS "until further court order." While OSHA remains confident in its authority to protect workers in emergencies, OSHA has suspended activities related to the implementation and enforcement of the ETS pending future developments in the litigation.

The ETS on Vaccination and Testing was officially filed in the Office of the Federal Register on November 4, 2021, and it became effective when it was published on November 5, 2021. Written comments on any aspect of the ETS must be submitted by December 6, 2021 in Docket number OSHA-2021-0007. Written comments on the information collection determination as described in V.K. of the ETS preamble [2021-23643] must be submitted by January 4, 2022 in Docket number OSHA-2021-0008.

Find information on the COVID-19 Healthcare ETS or on Coronavirus Disease (COVID-19).

About the Standard

ETS Regulatory Text (29 CFR 1910, Subpart U)

- 1910.501 - Vaccination, Testing, and Face Coverings
- 1910.504 - Mini Respiratory Protection Program
- 1910.505 - Severability
- 1910.509 - Incorporation by Reference

Federal Register (PDF)

Ratification Document (PDF)

Materials Incorporated by Reference

News Release

Webinar

Fact Sheets

- About the ETS

Implementation

Policy Templates

- Mandatory Vaccination Sample
- Vaccination or Testing and Face Covering Sample

Fact Sheets

- Workers' Rights (Spanish)
- Penalties for Knowingly Supplying False Information (Spanish)
- Reporting COVID-19 Fatalities and In-Patient Hospitalizations

Additional Resources

Information on Vaccination

Finding a Vaccine

Testing

Reasonable Accommodation

Labor Rights

<https://www.osha.gov/coronavirus/ets2>

OSHA Vaccine Mandate FAQ Released

1. Paragraph (a) – Purpose

1.A. How is this ETS affected by State laws that prohibit or limit employers' authority to require employees to be vaccinated?

1.B. Does the ETS preempt State or local requirements mandating face coverings in indoor public spaces, or that members of the public provide proof of vaccination or recent COVID-19 testing to enter restaurants, bars, or other public spaces?

1.C. What are State Plans' obligations with respect to this ETS?

1.D. What happens if a State with an OSHA-approved State Plan does not adopt the ETS or an "at least as effective" emergency rule within the 30-day timeframe required by OSHA's regulations?

1.E. Could an employer implement additional measures to protect employees from COVID-19?

2. Paragraph (b) – Scope and Application


2.A. How must employees be counted to determine if the employer meets the 100-employee threshold for coverage under this ETS? For example:

2.A.1. Are employees who perform work at offsite locations, such as customer homes, counted?

2.A.2. Is the count based on 100 employees for the entire business or 100 employees per individual location?

<https://www.osha.gov/coronavirus/ets2/faqs>

OSHA Vaccine Mandate FAQ Released

5.B. Some of my employees are concerned they may experience side effects from the vaccine. Can I require them to use their leave to recover from vaccination side effects? Can they borrow against future leave if they do experience side effects and do not have any sick leave? 

If an employee already has accrued paid sick leave, an employer may require the employee to use that paid sick leave when recovering from side effects experienced following a primary vaccination dose. Additionally, if an employer does not specify between different types of leave (i.e., employees are granted only one type of leave), the employer may require employees to use that leave when recovering from vaccination side effects. If an employer provides employees with multiple types of leave, such as sick leave and vacation leave, the employer can only require employees to use the sick leave when recovering from vaccination side effects.

Employers cannot require employees to use advanced sick leave to cover reasonable time needed to recover from vaccination side effects under paragraph (f)(2). An employer may not require an employee to accrue negative paid sick leave or borrow against future paid sick leave to recover from vaccination side effects. In other words, the employer cannot require an employee to go into the negative for paid sick leave if the employee does not have accrued paid sick leave when they need to recover from side effects experienced following a primary vaccination dose. Neither the paid time required to receive any vaccine dose(s) nor the paid sick leave required to recover from side effects experienced following any vaccination dose are retroactive requirements for vaccine dose(s) received prior to the promulgation of this ETS. This requirement applies to the vaccine dose(s) necessary to achieve full vaccination (one or two doses depending on the vaccine).

5.C. If an employee gets vaccinated outside of work hours, such as on a Saturday, do I have to still grant them reasonable time for vaccination? 

No. If an employee chooses to receive a primary vaccination dose outside of work hours, employers are not required to grant paid time to the employee for the time spent receiving the vaccine during non-work hours. However, even if employees receive a primary vaccination dose outside of work hours, employers must still afford them reasonable time and paid sick leave to recover from side effects that they experience during scheduled work time in accordance with paragraph (f)(2).

<https://www.osha.gov/coronavirus/ets2/faqs>

OSHA Vaccine Mandate FAQ Released

6.C. Can an unvaccinated employee still come to the workplace if they did not obtain a COVID-19 test but wears a face covering and is isolated while on site?

No. If an employee does not provide the result of a COVID-19 test as required by paragraph (g)(1) of the standard, the employer must keep the employee removed from the workplace until the employee provides a test result. In addition to being tested for COVID-19 on a weekly basis, unvaccinated employees must also wear a face covering at the workplace.

11. Paragraph (I) – Availability of Records

11.A. Are employers required to provide employees with access to their COVID-19 test records? ▼

11.B. Why are employers required to provide OSHA with the aggregate number of fully vaccinated employees at the workplace along with the total number of employees at that workplace within 4 hours of a request? ▼

11.C. Why are employers required to provide an employee or an employee representative with the aggregate number of fully vaccinated employees at the workplace along with the total number of employees at that workplace by the end of the next business day after a request by that employee or representative? ▼

11.D. How should requesters request these records from employers? ▼

<https://www.osha.gov/coronavirus/ets2/faqs>

EEOC Vaccine Mandate: Religious Exemption Update

L.1. Do employees who have a religious objection to receiving a COVID-19 vaccination need to tell their employer? If so, is there specific language that must be used under Title VII? (10/28/21)

Employees must tell their employer if they are requesting an exception to a COVID-19 vaccination requirement because of a conflict between that requirement and their sincerely held religious beliefs, practices, or observances (hereafter called “religious beliefs”). Under Title VII, this is called a request for a “religious accommodation” or a “reasonable accommodation.”

When making the request, employees do not need to use any “magic words,” such as “religious accommodation” or “Title VII.” However, they need to notify the employer that there is a conflict between their sincerely held religious beliefs and the employer’s COVID-19 vaccination requirement.

The same principles apply if employees have a religious conflict with getting a particular vaccine and wish to wait until an alternative version or specific brand of COVID-19 vaccine is available.

As a best practice, an employer should provide employees and applicants with information about whom to contact, and the procedures (if any) to use, to request a religious accommodation.

EEOC Posted Its Own Internal Form as an Example

RELIGIOUS ACCOMMODATION REQUEST FORM

Applicant's or Employee's Name:

Date of Request:

Email Address:

Telephone Number:

Employee's Position:

Duty Location:

1) Please identify the EEOC requirement, policy, or practice that conflicts with your sincerely held religious observance, practice, or belief (hereinafter "religious beliefs").

2) Please describe the nature of your sincerely held religious beliefs or religious practice or observance that conflict with the EEOC requirement, policy, or practice identified above.

3) What is the accommodation or modification that you are requesting?

4) List any alternative accommodations that also would eliminate the conflict between the EEOC requirement, policy, or practice and your sincerely held religious beliefs.

Requester Signature:

Date:

Accommodation Decision

Accommodations:

☐ approved as requested

☐ approved but different from the original request

☐ denied

Identify the accommodation provided.

If the approved accommodation is different from the one originally requested, explain the basis for denying the original request.

If an alternative accommodation was offered, indicate whether it was:

☐ accepted

☐ rejected

If it was rejected, state the basis for rejection.

If the accommodation is denied and no alternative accommodation was proposed, explain the basis for denying the request without an alternative accommodation.

An individual who disagrees with the resolution of the request may ask the Chief Human Capital Officer to reconsider that decision within 10 business days of receiving this completed form with the Deciding Official's decision. Note that requesting reconsideration does not extend the time limits for initiating administrative, statutory, or collective bargaining claims.

If an individual is dissatisfied with the resolution and wishes to pursue administrative, statutory, or collective bargaining rights, they must take the following steps:

- For an EEO complaint pursuant to 29 C.F.R. part 1614, contact an EEO counselor in the Office of Equal Opportunity within 45 days from the date of receipt of this form or a verbal response, whichever comes first.
- For a collective bargaining claim, file a written grievance in accordance with the provisions of the collective bargaining agreement.

<https://www.eeoc.gov/wyskhttps://www.eeoc.gov/sites/default/files/2021-10/EEOC%20Religious%20Accommodation%20Request%20Form%20-%20for%20web.pdf/what-you-should-know-about-covid-19-and-ada-rehabilitation-act-and-other-eeo-laws>

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EEOC Vaccine Mandate: Religious Exemption Update

L.2. Does an employer have to accept an employee's assertion of a religious objection to a COVID-19 vaccination at face value? May the employer ask for additional information? (10/25/21)

Generally, under Title VII, an employer should assume that a request for religious accommodation is based on sincerely held religious beliefs. However, if an employer has an objective basis for questioning either the religious nature or the sincerity of a particular belief, the employer would be justified in making a limited factual inquiry and seeking additional supporting information. An employee who fails to cooperate with an employer's reasonable request for verification of the sincerity or religious nature of a professed belief risks losing any subsequent claim that the employer improperly denied an accommodation. See generally [Section 12-IV.A.2: Religious Discrimination](#).

EEOC Vaccine Mandate: Religious Exemption Update

L.3. How does an employer show that it would be an “undue hardship” to accommodate an employee’s request for religious accommodation? (10/25/21)

Under Title VII, an employer should thoroughly consider all possible reasonable accommodations, including telework and reassignment. For suggestions about types of reasonable accommodations for unvaccinated employees, see K.6, above. In many circumstances, it may be possible to accommodate those seeking reasonable accommodations for their religious beliefs, practices, or observances without imposing an undue hardship.

EEOC Vaccine Mandate: Religious Exemption Update

L.4. If an employer grants some employees a religious accommodation from a COVID-19 vaccination requirement because of sincerely held religious beliefs, does it have to grant the requests of all employees who seek an accommodation because of sincerely held religious beliefs? (10/25/21)

No. The determination of whether a particular proposed accommodation imposes an undue hardship on the conduct of the employer's business depends on its specific factual context. When an employer is assessing whether exempting an employee from getting a vaccination would impair workplace safety, it may consider, for example, the type of workplace, the nature of the employee's duties, the number of employees who are fully vaccinated, how many employees and nonemployees physically enter the workplace, and the number of employees who will in fact need a particular accommodation. A mere assumption that many more employees might seek a religious accommodation to the vaccination requirement in the future is not evidence of undue hardship, but the employer may take into account the cumulative cost or burden of granting accommodations to other employees.

EEOC Vaccine Mandate: Religious Exemption Update

L.5. Must an employer provide the religious accommodation preferred by an employee if there are other possible accommodations that also are effective in eliminating the religious conflict and do not cause an undue hardship under Title VII? (10/25/21)

No. If there is more than one reasonable accommodation that would resolve the conflict between the vaccination requirement and the sincerely held religious belief without causing an undue hardship under Title VII, the employer may choose which accommodation to offer. If more than one accommodation would be effective in eliminating the religious conflict, the employer should consider the employee's preference but is not obligated to provide the reasonable accommodation preferred by the employee. If the employer denies the employee's proposed accommodation, the employer should explain to the employee why the preferred accommodation is not being granted.

EEOC Vaccine Mandate: Religious Exemption Update

L.6. If an employer grants a religious accommodation to an employee, can the employer later reconsider it? (10/25/21)

The obligation to provide religious accommodations absent undue hardship is a continuing obligation that takes into account changing circumstances. Employees' religious beliefs and practices may evolve or change over time and may result in requests for additional or different religious accommodations. Similarly, an employer has the right to discontinue a previously granted accommodation if it is no longer utilized for religious purposes, or if a provided accommodation subsequently poses an undue hardship on the employer's operations due to changed circumstances. As a best practice, an employer should discuss with the employee any concerns it has about continuing a religious accommodation before revoking it and consider whether there are alternative accommodations that would not impose an undue hardship.

Vaccine Mandate – The Lawsuits

Key Dates

- Nov. 5 – OSHA Releases Vaccine Mandate Emergency Temporary Standard (ETS)
- Nov. 6. – 5th Circuit Court issues emergency stay of OSHA ETS
- Nov. 12 – 5th Circuit Panel granted the stay; multiple Circuit Courts received challenges, creating lottery
- Nov. 16 – Multi-circuit petitions for review received from twelve Circuit Courts
- Nov. 16 – Judicial Panel on Multidistrict Litigation assigns case U.S. Court of Appeals for 6th Circuit

Next Steps

- The Cincinnati-based 6th Circuit will form a three-judge panel
- 6th Circuit comprised of 20 judges appointed by GOP Presidents, 6 by Democrats
- Once selected, three-judge panel will set schedule
- Quick consideration expected, appeal to U.S. Supreme Court likely
- Some expect court decisions could begin arriving around December 5

Vaccine Mandate – The Legal Arguments

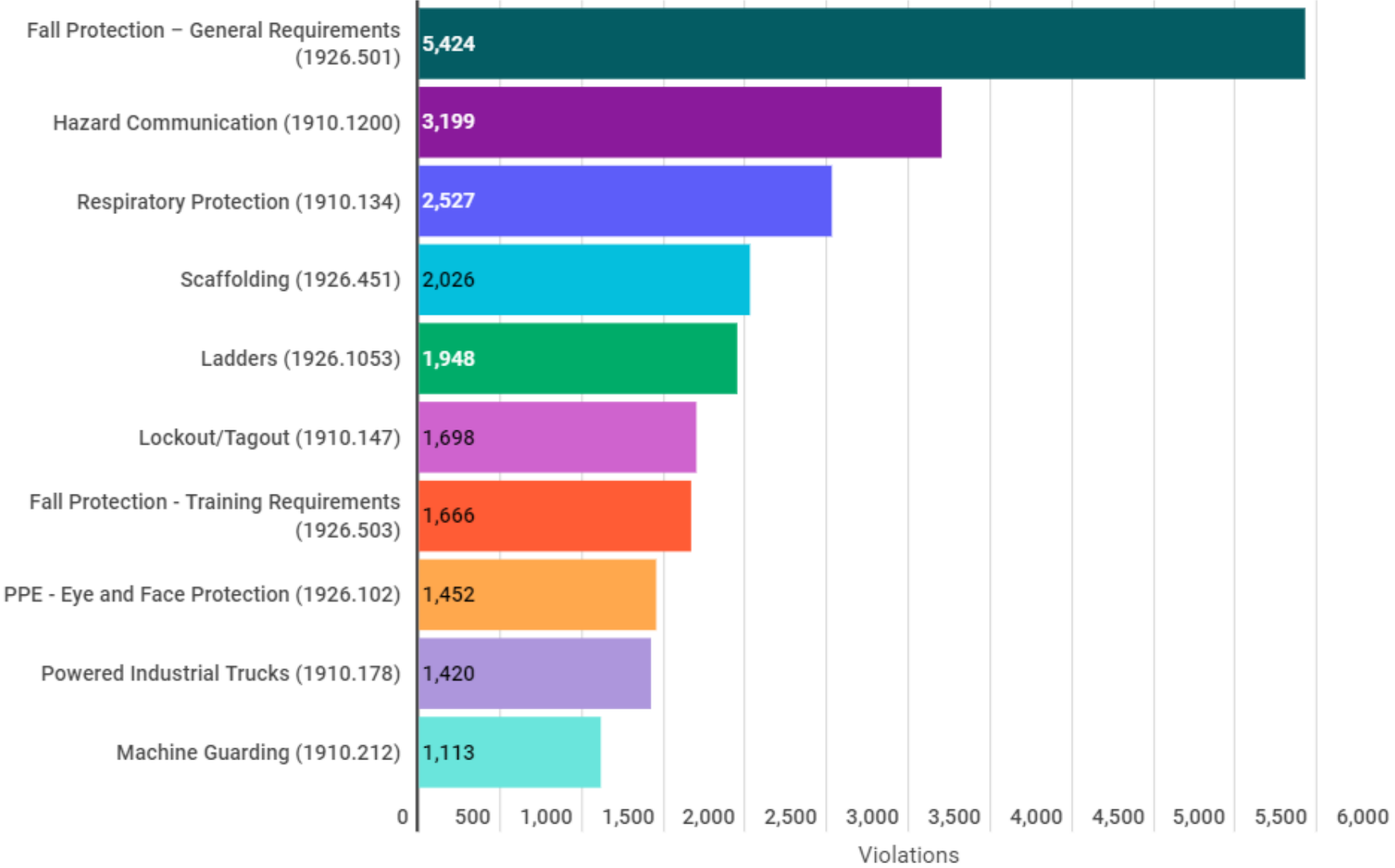
Parties to Lawsuits

- Attorneys General, Republican state government officials
- Employer groups and representative organizations
- Unions, employees, and labor representatives
- Religious institutions, private schools

Arguments Made

- OSHA exceeding its authority under the OSH Act of 1972
- Authority not specifically delegated to the federal government
- Process and procedural violations (no public input, comment, etc.)
- OSHA in June 2020 said no grave danger existed to justify ETS
- If grave danger does exist, 100 employee too high, should cover all workers
- Religious objections

OSHA Enforcement – Top 2021 Citations

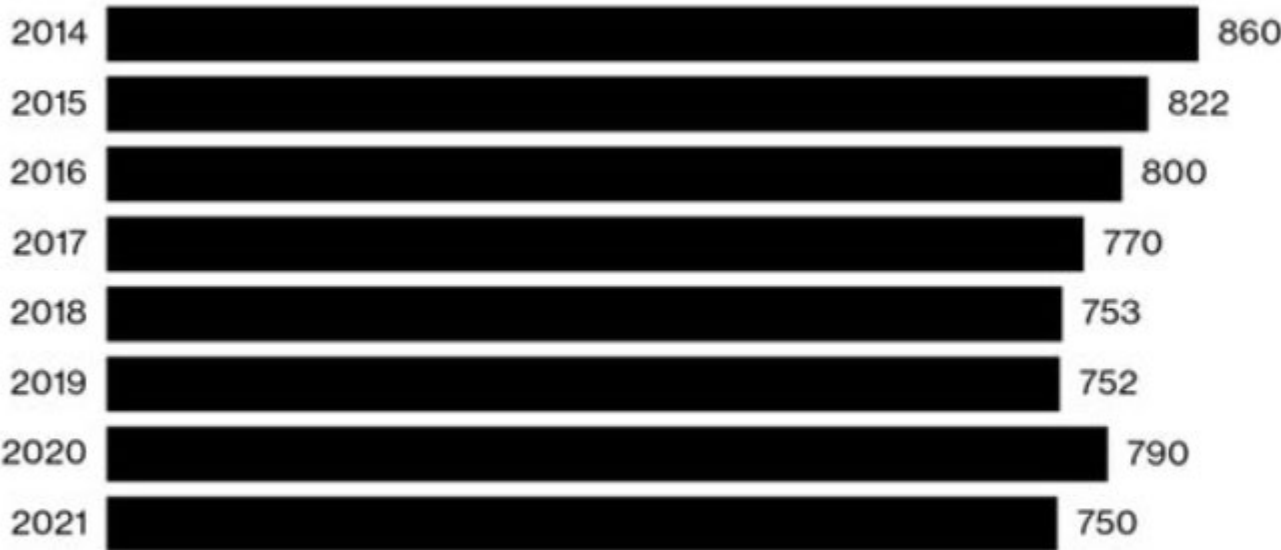


OSHA Has Fewest Inspectors in Agency History

Number of OSHA Inspectors FY 2014-2021

Fewer inspectors for 2021 continues trend

■ Inspectors



Source: OSHA

Bloomberg Law

Infrastructure Investment and Reconciliation Bills

Key Terms and Status of Major Bills

- \$1.2 trillion Bipartisan Infrastructure Framework (BIF)
 - Roads, bridges, ports, broadband
 - Passed U.S. Senate August 10; passed U.S. House Nov. 5
 - President Biden signed into law on Nov. 15
- \$1.75 trillion Build Back Better (BBB) Biden Proposal
 - Initially a \$3.5 trillion proposal – social programs, health care, environment
 - Senate Democrats not fully supporting House bill
 - Still do not have an official cost of spending provisions

What is in the Bipartisan \$1.2t Infrastructure Law?

- **\$110 billion** for roads, bridges, and other major projects
- **\$73 billion** to update the nation's electricity grid
- **\$66 billion** for passenger and freight rail
- **\$65 billion** for broadband internet
- **\$55 billion** for water infrastructure
 - **\$15 billion** for removing lead pipes
- **\$50 billion** for climate resiliency projects
- **\$39 billion** for public transit
- **\$25 billion** for airports
- **\$21 billion** for environmental remediation projects
- **\$17 billion** for ports and waterways
- **\$11 billion** for transportation safety projects
- **\$7.5 billion** for low emissions buses and ferries
- **\$7.5 billion** to construct EV charging stations

**\$550 billion in new federal
spending and renews programs
expiring Dec. 3**

Infrastructure: Ohio Receiving at Least \$12.802 billion

Repair and rebuild our roads and bridges with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians. In Ohio there are 1,377 bridges and over 4,925 miles of highway in poor condition. Since 2011, commute times have increased by 5.7% in Ohio, and on average, each driver pays \$506 per year in costs due to driving on roads in need of repair. The Infrastructure Investment and Jobs Act is the single largest dedicated bridge investment since the construction of the interstate highway system. **Based on formula funding alone, Ohio would expect to receive \$9.2 billion for federal-aid highway apportioned programs and \$483 million for bridge replacement and repairs under the Infrastructure Investment and Jobs Act over five years¹.** Ohio can also compete for the \$12.5 billion Bridge Investment Program for economically significant bridges and nearly \$16 billion of national funding in the bill dedicated for major projects that will deliver substantial economic benefits to communities.

<https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/04/white-house-releases-state-fact-sheets-highlighting-the-impact-of-the-infrastructure-investment-and-jobs-act-nationwide/>

Infrastructure: Michigan Receiving at Least \$9.859 billion

Repair and rebuild our roads and bridges with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians. In Michigan there are 1,219 bridges and over 7,300 miles of highway in poor condition. Since 2011, commute times have increased by 4.6% in Michigan and on average, each driver pays \$644 per year in costs due to driving on roads in need of repair. The Infrastructure Investment and Jobs Act is the single largest dedicated bridge investment since the construction of the interstate highway system. **Based on formula funding alone, Michigan would expect to receive \$7.3 billion for federal-aid highway apportioned programs and \$563 million for bridge replacement and repairs under the Infrastructure Investment and Jobs Act over five years¹.** Michigan can also compete for the \$12.5 billion Bridge Investment Program for economically significant bridges and nearly \$16 billion of national funding in the bill dedicated for major projects that will deliver substantial economic benefits to communities.

<https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/04/white-house-releases-state-fact-sheets-highlighting-the-impact-of-the-infrastructure-investment-and-jobs-act-nationwide/>

Bipartisan Infrastructure Law Eliminates ERC – Oct 1

| Provision | Effective | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2022-26 | 2022-31 |
|---|-------------------------|---------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| TITLE V. - RELIEF FOR TAXPAYERS AFFECTED BY DISASTERS OR OTHER CRITICAL EVENTS..... | | | | | | | | | | | | | |
| | various | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| TITLE VI.-OTHER PROVISIONS | | | | | | | | | | | | | |
| 1. Modification of tax treatment of contributions to the capital of a corporation..... | cma 12/31/20 | -286 | -179 | -158 | -138 | -120 | -101 | -85 | -72 | -61 | -51 | -881 | -1,251 |
| 2. Extension of interest rate stabilization [2][3][4]..... | wrtpyba 12/31/21 | --- | --- | --- | --- | 50 | 210 | 411 | 585 | 764 | 849 | 50 | 2,871 |
| 3. Information reporting for brokers and digital assets..... | rrtbf & srtbfa 12/31/23 | --- | --- | 1,526 | 2,862 | 3,349 | 3,559 | 3,797 | 4,013 | 4,282 | 4,582 | 7,737 | 27,970 |
| 4. Termination of employee retention credit for employers subject to closure due to COVID-19..... | cqba 9/30/21 | 8,220 | --- | --- | --- | --- | --- | --- | --- | --- | --- | 8,220 | 8,220 |
| TOTAL OF TITLE VI. | | 7,934 | -179 | 1,368 | 2,724 | 3,279 | 3,668 | 4,123 | 4,526 | 4,985 | 5,380 | 15,126 | 37,810 |

Elimination of Employee Retention Tax Credit for 4th Quarter 2021 saves \$8.2b

Build Back Better Spending: White House Summary

| Investments | \$ billion |
|--|-------------|
| Child Care and Preschool | 400 |
| Home Care | 150 |
| Child Tax & Earned Income Tax Credits | 200 |
| Clean Energy and Climate Investments | 555 |
| ACA Credits, Including in Uncovered States | 130 |
| Medicare Hearing | 35 |
| Housing | 150 |
| Higher Ed and Workforce | 40 |
| Equity & Other Investments | 90 |
| Total | 1750 |
| <i>Immigration</i> | <i>100</i> |

BBB Revenue Raisers: White House Summary

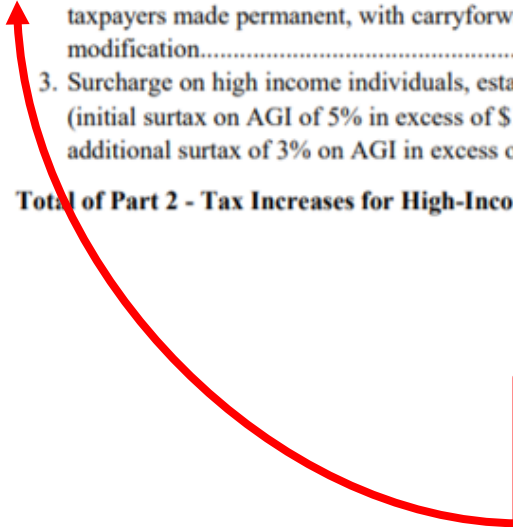
| Offsets – Estimates, Subject to Confirmation | \$ billion |
|--|------------|
| 15% Corporate Minimum Tax on Large Corporations | 325 |
| Stock Buybacks Tax | 125 |
| Corporate International Reform to Stop Rewarding Companies That Ship Jobs and Profits Overseas | 350 |
| AGI Surcharge on the Top 0.02% | 230 |
| Close Medicare Tax Loophole for Wealthy | 250 |
| Limit Business Losses for the Wealthy | 170 |
| IRS Investments to Close the Tax Gap | 400 |
| Prescription Drugs: Repeal Rebate Rule | 145 |
| Up to a Total of: | 1995 |

15 Percent Corporate Alternative Minimum Tax

| Provision | Effective | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2022-26 | 2022-31 |
|---|---------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Part 1 - Corporate and International Tax Reforms | | | | | | | | | | | | | |
| A. Corporate Provisions | | | | | | | | | | | | | |
| 1. Corporate alternative minimum tax..... | tyba 12/31/22 | 4,481 | 55,753 | 49,165 | 32,588 | 24,695 | 22,747 | 25,789 | 30,535 | 34,969 | 38,189 | 166,682 | 318,911 |
| 2. Excise tax on repurchase of corporate stock..... | rosa 12/31/21 | 8,212 | 11,782 | 12,011 | 12,343 | 13,149 | 13,632 | 13,569 | 13,208 | 13,051 | 13,267 | 57,497 | 124,226 |
| B. Limitations on Deduction for Interest Expense..... | tyba 12/31/22 | --- | 1,520 | 3,123 | 3,285 | 3,254 | 3,173 | 3,279 | 3,398 | 3,435 | 3,430 | 11,182 | 27,896 |

Corporate Alternative Minimum Tax rate of 15%
generates \$318.9 billion over 10 years

Tax Increases Targeting “Wealthy” Could Hit Under 400k

| Provision | Effective | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2022-26 | 2022-31 |
|---|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Part 2 - Tax Increases for High-Income Individuals | | | | | | | | | | | | | |
| 1. Application of net investment income tax to trade or business income of certain high income individuals..... | tyba 12/31/21 | 12,742 | 19,543 | 21,734 | 24,050 | 25,861 | 27,966 | 28,997 | 29,675 | 30,439 | 31,156 | 103,930 | 252,163 |
| 2. Limitations on excess business losses of noncorporate taxpayers made permanent, with carryforward modification..... | tyba 12/31/20 | 3,127 | 2,046 | 2,123 | 2,204 | 2,288 | 21,665 | 31,221 | 30,130 | 31,909 | 33,563 | 11,788 | 160,276 |
| 3. Surcharge on high income individuals, estates, and trusts (initial surtax on AGI of 5% in excess of \$10,000,000 and additional surtax of 3% on AGI in excess of \$25,000,000)..  | tyba 12/31/21 | 40,035 | -18,667 | 22,215 | 23,436 | 24,332 | 24,223 | 25,465 | 27,540 | 28,779 | 30,413 | 91,350 | 227,771 |
| Total of Part 2 - Tax Increases for High-Income Individuals..... | | 55,904 | 2,922 | 46,072 | 49,690 | 52,481 | 73,854 | 85,683 | 87,345 | 91,127 | 95,132 | 207,068 | 640,210 |

Net Operating Loss limitation of \$262,000 (\$524,000 joint) moved up from 2026 to January 1, 2021

House SALT Deduction Proposal Under Scrutiny

Part 6 – Deduction for State and Local Taxes

Section 137601. Modification of Limitation on Deduction for State and Local Taxes

Increases the limitation the deduction for state and local taxes from \$10,000 to \$72,500 (\$36,250 in the case of an estate, trust, or married individual filing a separate return), and extends the limitation through 2031.

| Provision | Effective | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2022-26 | 2022-31 |
|-----------|-----------|------|------|------|------|------|------|------|------|------|------|---------|---------|
|-----------|-----------|------|------|------|------|------|------|------|------|------|------|---------|---------|

| | | | | | | | | | | | | | |
|---|---------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|----------|-------|
| Part 6 - Limit Itemized Deductions for State and Local Taxes to \$72,500 (sunset 12/31/31)..... | tyba 12/31/20 | -50,627 | -50,314 | -52,431 | -54,597 | -14,002 | 45,966 | 42,028 | 43,592 | 45,265 | 47,159 | -221,972 | 2,037 |
|---|---------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|----------|-------|

Proposed SALT Deduction changes
remain uncertain

BBB Proposal: 4-Year Delay for R&D Amortization

Section 138153. Research and Experimental Expenditures.

This provision delays the effective date of section 13206 of Public Law 115-97. That section provides for amortization of the research and experimental expenditures starting taxable years beginning after December 31, 2021. Under this provision, the amortization of research and experimental expenditures will begin for amount paid or incurred in taxable years beginning after December 31, 2025.

If R&D extension included in BBB, will impact chances for tax extenders in 2021

Process for Passage of Build Back Better

- Nov. 19 – U.S. House passed Build Back Better by 220-213 Vote
- BBB now goes to the U.S. Senate for more changes
- Senate must pass BBB with all fifty Democrats - zero margin
- If bill passes Senate, House must vote again
- Could see final vote by Christmas but may slip into 2022

Sen. Joe Manchin concerns over inflation, spending

Questions Still Under Senate Consideration

- Taxation of certain passthroughs through surtax
- Extension of Net Investment Income Tax
- Unrealized gains for specific earners
- Limitation of business interest deduction
- International taxation – efforts to change/delay House language

Uncertainty makes tax planning difficult...

Tariffs and Trade

Steel, Aluminum Tariffs Replaced for EU

- U.S. lifting 25% steel tariffs, 10% aluminum on Jan. 1, 2022
- EU lifting 25% retaliatory tariffs on U.S. exports Jan. 1, 2022
- Tariffs replaced with Tariff Rate Quotas (TRQs)
- Create a quota limit for imports
- Once limit reached, 25% or 10% tariffs reinstated

Impact on Steel, Aluminum Users of Quotas

- EU will allocate allowable exports among its 27-members
- Quotas for steel administered quarterly, aluminum annually
- Not an absolute quota that blocks entry once limit reached
- Quotas often lead to larger buyers importing early and often
- Smaller buyers may pay tariffs when quotas reached

CAMMU Response



For Immediate Release
October 31, 2021

Contact: Carolyn Spector, 202-828-5802
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CAMMU Statement on US-EU Agreement on Steel and Aluminum Tariffs

Washington, D.C. – The Coalition of American Metal Manufacturers and Users (CAMMU) today issued the following statement:

“The news of a US-EU agreement to end the existing Section 232 steel and aluminum tariffs for a certain amount of imported steel is good news for U.S. manufacturers who continue to experience the highest prices in the world and long delivery delays. However, it is disappointing that the agreement will not completely terminate these unnecessary trade restrictions on our allies. CAMMU is concerned that replacing the tariffs with a tariff rate quota (TRQ) will hurt its members because the threat of tariff reinstatement looms with the surge in steel and aluminum demand expected when the bipartisan infrastructure bill passes. This type of government restriction on raw materials and intervention lead to market manipulations and allow for gaming of the system that could put this country’s smallest manufacturers at an even further disadvantage.

The U.S. domestic steel sector does not need protection from competition and the US should immediately begin negotiations to lift these damaging tariffs on our other close allies and trading partners.

U.S. steel- and aluminum-using manufacturers cannot secure the raw materials that they need and at competitive prices, and are losing business to competitors in other countries who are paying far lower prices for steel and aluminum. When these American manufacturers who use steel and aluminum lose business, they buy less of those products, which will lead to the domestic steel and aluminum industry also losing business. CAMMU looks forward to seeing the details of the US-EU agreement and continuing to work with the U.S. government on behalf of U.S. manufacturers that need globally priced steel and aluminum to operate in the U.S.”

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THE WALL STREET JOURNAL.

“Giant companies are going to have the clout and financial capability where they can go in and place large orders and suck up the quota,” said Gregg Boucher, the president of the distribution division of Ulbrich Stainless Steel & Specialty Metals, a New Haven, Connecticut-based metal processing firm that imports some raw materials from Europe.

POLITICO

THE U.S. AND EU HAVE A DEAL ON STEEL. WHAT NOW?

““This type of government restriction on raw materials and intervention lead to market manipulations and allow for gaming of the system that could put this country’s smallest manufacturers at an even further disadvantage.”

Steel, Aluminum Tariffs on non-EU Countries

- U.S. in talks with UK, Japan
- Switzerland not member of EU, no talks
- No indication of discussions with India, SE Asian countries
- Tariffs remain on Turkey
- U.S. will not lift tariffs on China

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NTMA's Government Affairs Administrative Fund (GAAF) allows the association to undertake initiatives aimed at educating elected officials on tooling and machining and the industry's priority issues. It also permits us to support a variety of activities to inform and mobilize our members, as well as to protect and promote the industry with key lawmakers. You can use corporate OR personal funds to donate to the GAAF.

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PMA's Advocacy Fund supports the association's day-to-day lobbying and public relations efforts in Washington, D.C., increasing the industry's visibility in Congress, the Administration and the public. You can use corporate OR personal funds to donate to the advocacy fund.

Donate Today!

<https://www.pma.org/advocacy/donate-today.asp>

Questions?

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