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R&D UPDATE from ACEC Executive Vice President, Steve Hall

The House-passed tax package with our R&D fix has gotten attention once again in the press this week and we wanted to give you a quick update on the state of play.

ACEC released a [statement](#) on Tax Day from ACEC Chair Jay Wolverton calling on the Senate to push forward on a bipartisan fix on R&D. *Politico* highlighted Jay's statement this morning: **American Council of Engineering Companies board Chair Jay Wolverton said today's filing deadline "brings another crippling tax increase on America's engineering industry and other sectors of the economy that embrace innovation," arguing that sunseting tax breaks that would be addressed by the bill are "literally punishing [companies] for the innovation our economy needs to stay competitive."** Jay's comments were echoed by quotes from some of our industry allies as well.

Punchbowl ran a story highlighting the fact that Senators John Hawley (R-MO), Kyrsten Sinema (I-AZ) and Todd Young (R-IN) are working together to build support for passage of the House-passed tax bill (HR 7024). Senator Hawley is promoting the idea of coupling the tax bill with Senate-passed legislation he authored to reauthorize a compensation fund for radiation victims. We're not sure this is a workable path forward since it would add substantially to the cost, but it's bringing attention to our issue and a *potential* path forward, and that's a good thing. There are also lawmaker discussions underway on the possibility of attaching the tax bill to the pending FAA reauthorization bill (because it includes a tax title). Senate Majority Leader Chuck Schumer could also send it directly to the floor if there is enough support. The point is – there are a number of possible paths forward.

Senator Mike Crapo (R-ID), the lead Republican on the Senate Finance Committee, continues to oppose moving forward on the House bill, which is why the outreach to your US Senators is so critical. What may compel Senator Crapo to act is hearing from more of his Senate colleagues, with particular emphasis on Senate Republicans. We're hearing this is happening – thanks to your outreach – but more needs to be done. Reach out directly to Senator JD Vance 202-224-3353 and Senator Sherrod Brown 202-224-2315 to share your support for passage. Or email your support through: <https://acec.aristotle.com/SitePages/takeaction.aspx>

One critical point – we could very well see a showdown on the tax bill in the Senate that coincides with our fly-in the week of May 13th. The Senate floor schedule this month will be consumed by impeachment articles against Department of Homeland Security Secretary Mayorkas, legislation to extend the Foreign Intelligence Surveillance

Act (FISA), and aid to Israel and Ukraine prompted in part by the escalating conflict between Iran and Israel. What this means is the earliest the Senate could take up a tax deal is likely the second or third week in May, which means we need a strong turnout from firms impacted by R&D amortization. Please consider joining us in Washington for this final push – the Convention registration page can be accessed [here](#).

It is generally thought that Congress won't do much legislating after Memorial Day with the focus turning to the November elections, which means we need to take full advantage of this narrowing legislative window.

Steve Hall

Executive Vice President