



## The NEA Monthly Lobbyist Report for Members



# National Employers Association - March 2024 Policy Report

Last Updated: April 03, 2024

### On the Hill

There are about 15 weeks of floor time in the Senate before the election (and before the next funding deadline), which creates both an opportunity and tough decisions for Senate Majority Leader Chuck Schumer. He can pursue nominees, particularly judges, with a simple majority try to move bipartisan bills which his incumbents are eager to pass ahead of the election.

The Senate trial for DHS Secretary Alejandro Mayorkas — even if quickly dismissed — will take up a couple of days in April. And funding the government will eat up some of the end of September. There's also a few "magic Mondays" here and there where the Senate is out.

Door No. 1: Normally, confirming lifetime judges would be simpler, but Sen. Joe Manchin's (D-W.Va.) personal filibuster against any party-line judges means Schumer has to run the table in his 51-member caucus to push through anyone who lacks Republican support. Now, that doesn't happen that often: 87 percent of President Joe Biden's lifetime judicial nominees have received bipartisan support on the floor, according to a Democratic aide.

Door No. 2: Schumer's members are clamoring for bills that would overhaul rail safety, legalize cannabis banking, and claw back money from failed bank executives, as well as a farm bill and an FAA bill. There's also pressure to crack down on TikTok, and plenty of Democrats want more votes on the failed border security deal. There's also now a bridge to build in Baltimore.

Meanwhile, a bipartisan tax agreement is in real trouble, with Senate Republicans feeling snubbed after being left out of the deal between Senate Democrats and the House GOP.

Finishing any of those bills will take up a decent amount of floor time.

With all of this happening in the background, Lobbyit has been busy working on the Hill to ensure NEA's policy priorities are positioned for this key stretch on the Hill. Last month we met with:

- Sen. Maggie Hassan (D-NH): Senate Finance Subcommittee on Health Care; Senate Health, Education, Labor and Pensions Subcommittee on Primary Health and Retirement Security;
- Rep. Michael Burgess (R-TX): House Budget Committee Health Care Task Force, Chair; House Energy and Commerce Subcommittee on Health
- Rep. Judy Chu (D-CA): House Ways and Means Committee Health Subcommittee
- Rep. Tracey Mann (R-KS): Congressional Bipartisan Rural Health Caucus; Congressional Primary Care Caucus; Congressional Telehealth Caucus
- Rep. Lou Correa (D-CA): Congressional Primary Care Caucus

# Green Book Previews Biden Administration's Opening Offer in 2025 Tax Reform Debate

On March 11, 2024, the Treasury Department released the General Explanations of the Administration's Fiscal Year 2025 Revenue Proposals, known as the Green Book. The Green Book details the nearly \$5 trillion in individual and corporate tax hikes that President Biden has called for in his FY 2025 budget. In addition to reaffirming previous proposals, including raising the corporate income tax rate and imposing a minimum tax on wealthy households, the 2025 Green Book includes new proposals to increase the corporate alternative minimum tax (CAMT) rate and eliminate business deductions for excess employee compensation.

Because Republicans control the House of Representatives, no action on the Green Book proposals is currently expected. That said, because the proposals would serve as a starting point for future tax reform negotiations with Democrats, they are worth understanding better. Moreover, with parts of the Tax Cuts and Jobs Act (TCJA) set to expire at the end of 2025, Republicans may have to accept tax increases to preserve current-law benefits for families and small businesses. This means that many of the proposed revenue raisers, particularly the increased corporate rate, can no longer be dismissed as merely aspirational.

## Business Tax Proposals

The President's FY 2025 budget proposes to increase business taxes by more than \$2.7 trillion over the next 10 years. The bulk of this revenue would come from corporate and international tax increases, including proposals to:

- Increase the top federal corporate tax rate to 28%.
- Raise the CAMT rate to 21%.
- Quadruple the excise tax rate on corporate stock repurchases (from 1% to 4%).
- Disallow corporate deductions for any employee compensation exceeding \$1 million.
- Reform international taxation by:
  - o Increasing the global intangible low-taxed income rate.
  - o Adopting the undertaxed profits rule.
  - o Repealing the foreign-derived intangible income deduction.

Other business tax proposals in the FY 2025 budget include:

- Making permanent the excess business loss limitation for noncorporate taxpayers.
- Repealing deferral of gain from exchanges of like-kind real estate.
- Increasing taxes on oil and gas, including eliminating the expensing of intangible drilling costs and the use of percentage depletion for oil and gas wells.
- Extending the wash sale and other tax rules to digital assets.
- Making permanent the new markets tax credit.

## Bills by Issue

### National Employers Association (8)

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
US	HR 2813	<b>Placed On The Union Calendar Calendar</b> <b>No 88 2023 06 20</b>	<b>In House</b>	<b>None</b>	<b>None</b>	<b>48.9%</b> <b>95.0%</b>
<b>Title</b> Self-Insurance Protection Act			<b>Introduction Date:</b> 2023-04-25			
<b>Description</b> Self-Insurance Protection Act This bill specifies that stop-loss coverage is not health insurance coverage for purposes of regulation under the Employee Retirement Income Security Act of 1974. Stop-loss policies are generally obtained by self-insured health plans or sponsors of self-insured group health plans to reimburse the plan or sponsor for losses incurred in providing health benefits to plan participants in excess of a level set forth in the stop-loss policy. The bill also preempts state laws that prevent employers from obtaining stop-loss coverage.						
<b>Primary Sponsors</b> Bob Good						

**Title**  
Association Health Plans Act

**Introduction Date:** 2023-04-25

**Description**

Association Health Plans Act This bill provides statutory authority for the treatment of association health plans (AHPs) as single, large employers for purposes of the Employee Retirement Income Security Act (ERISA). Under AHPs, groups of individuals or small employers join together to purchase health insurance coverage. AHPs were historically subject to the market requirements for individual and small group health plans. In 2018, the Department of Labor issued regulations that allowed an AHP to be considered a single, large employer under ERISA if certain conditions are met. The regulations have been subject to litigation, which is still ongoing. The bill provides that an AHP qualifies as a single, large employer if it (1) among other listed criteria, has been in existence for at least two years and was formed for a purpose other than offering health insurance; (2) meets any criteria set by Labor in a prior advisory opinion; or (3) meets any other criteria set by Labor through regulations. Additionally, the bill establishes rules for AHPs to set premium rates and prohibits AHPs from discriminating in coverage based on health status-related factors or denying coverage based on preexisting conditions.

**Primary Sponsors**

Tim Walberg

**Title**  
CHOICE Arrangement Act

**Description**

This bill generally provides statutory authority for certain health reimbursement arrangements and other alternative health insurance options for employers. TITLE I--ASSOCIATION HEALTH PLANS ACT This title provides statutory authority for the treatment of association health plans (AHPs) as single, large employers for purposes of the Employee Retirement Income Security Act (ERISA). Under AHPs, groups of individuals or small employers join together to purchase health insurance coverage. AHPs were historically subject to the market requirements for individual and small group health plans. In 2018, the Department of Labor issued regulations that allowed an AHP to be considered a single, large employer under ERISA if certain conditions are met. The regulations have been subject to litigation, which is still ongoing. The title provides that an AHP qualifies as a single, large employer if it (1) among other listed criteria, has been in existence for at least two years before offering health insurance and was formed for a purpose other than offering health insurance; (2) meets any criteria set by Labor in a prior advisory opinion; or (3) meets any other criteria set by Labor through regulations. TITLE II--CHOICE ARRANGEMENT ACT This title provides statutory authority for regulations that allow employers to offer individual coverage health reimbursement arrangements (ICHRAs). Under ICHRAs, employers agree to reimburse employees for incurred medical expenses up to a limit for a specified period (e.g., a calendar year), and employees obtain their own individual coverage that meets certain requirements of the Patient Protection and Affordable Care Act (coverage of preventive services and no annual or lifetime limits). Payments or reimbursements under an ICHRA are tax-exempt and may only be made for medical care provided when the employee was covered by a plan that meets the requirements. Employees may also pair ICHRAs with Medicare coverage. In 2019, the Department of the Treasury, the Department of Labor, and the Department of Health and Human Services issued regulations that allow employers to offer employees ICHRAs if certain conditions are met: (1) the employer offers ICHRAs to all employees in the same class (e.g., all full-time employees) without the choice of an employer-sponsored group health plan, and (2) the employer offers the ICHRA to all employees within the class on the same terms (i.e., the amount of available funds and the terms and conditions of the benefits). The regulations also specify certain notice and verification requirements with respect to ICHRAs. The title provides statutory authority for these regulations and generally refers to ICHRAs as custom health option and individual care expense arrangements. TITLE III--SELF-INSURANCE PROT... (click bill link to see more).

**Bill Summary:** Last edited by Jacob Kohn at Jun 22, 2023, 1:42 PM  
The CHOICE Act makes several improvements, including: - Association Health Plans Act Would Allow Businesses to Pool Risk and Negotiate Lower Costs - Self-Insurance Protection Act Levels the Playing Field for Small Business - Custom Health Option and Individual Care Expense Arrangement Act Creates Certainty and Improves Individual Coverage HRAs (ICHRAs)

**Introduction Date:** 2023-06-05

**Primary Sponsors**

Kevin Hern

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
US	HR 3800	Ordered To Be Reported In The Nature Of A Substitute Amended By The Yeas And Nays 34 6 2023 06 07	In House	None	None	25.0% 95.0%

**Title** Introduction Date: 2023-06-05  
Chronic Disease Flexible Coverage Act

**Primary Sponsors**  
Brad Wenstrup

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
US	HR 5687	Placed On The Union Calendar Calendar No 317 2024 02 13	In House	None	None	88.9% 95.0%

**Title** Introduction Date: 2023-09-26  
HSA Modernization Act of 2023

**Primary Sponsors**  
Beth Van Duyne

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
US	HR 5688	Placed On The Union Calendar Calendar No 330 2024 02 26	In House	None	None	88.1% 95.0%

**Title** Introduction Date: 2023-09-26  
Bipartisan HSA Improvement Act of 2023

**Primary Sponsors**  
Lloyd Smucker

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
US	HR 5737	Referred To The House Committee On Ways And Means 2023 09 26	In House	None	None	5.5% 95.0%

**Title** Introduction Date: 2023-09-26  
Elevating HSA Limits Act of 2023

**Primary Sponsors**  
Beth Van Duyne

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
US	S 3224	Read Twice And Referred To The Committee On Finance Text Cr S 5341 2023 11 02	In Senate	None	None	7.1% 95.0%

**Title** Introduction Date: 2023-11-02  
Chronic Disease Flexible Coverage Act

**Primary Sponsors**  
John Thune

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