



Legislative Bulletin.....September 17, 2014

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H.R. 4 – Jobs for America Act

H.R. 4 – Jobs for America Act (Camp, R-MI)

Order of Business: H.R. 4 is scheduled for consideration subject to a rule as early as Friday, September 19, 2014.

Summary of Titles and Congressional Action: [H.R. 4](#) is a package of legislation designed to promote job creation and economic growth. It consists of several previously passed bills. Below is a summary of titles and House action:

- Division I – Ways and Means
 - Title I “Save American Workers” contains text from H.R. 2575 (Young, R-IN) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 248-179 on April 3, 2014. This title changes the definition of [full-time employee](#), with respect to any month, as one who works on average at least 40 hours a week for the purposes of the employer mandate. Without changing the definition of a full-time employee, 2.6 million workers with a median income under \$30,000 at risk for losing hours or their job.
 - Title II “Hire More Heroes” contains text from H.R. 3474 (Davis, R-IL) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 406-1 on March 11, 2014. This title allows employers to exclude employees who get their health care under TRICARE or from the Veterans Administration from the calculations used to determine whether an employer is an applicable large employer and therefore subject to the employer mandate under the ACA.
 - Title III “American Research and Competitiveness” contains text from H.R. 4438 (Brady, R-TX) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 274-131 on May 9, 2014. This legislation makes the alternative simplified research credit permanent and increases the rate from 14 percent to 20 percent. A taxpayer is allowed to receive a 20 percent credit for qualified research expenses that exceed 50 percent of the average qualified research expenses from the three previous years. In addition, the taxpayer is allowed to receive a credit of 20 percent of the basic research payments for the tax year that exceeds 50 of the average basic research expenses for the previous three years.
 - Title IV “America’s Small Business Tax Relief” contains text from H.R. 4457 (Tiberi, R-OH) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of

272-144 on June 12, 2014. This title makes permanent and indexes for inflation the higher, \$500,000 level of Section 179 enhanced small business expensing that expired at the end of 2013. Section 179 of the tax code allows taxpayers to immediately deduct certain expenses such as investments in equipment, property, and computer software, instead of deducting them over the longer recovery period. Making this provision permanent will be especially helpful to cyclical businesses, such as farms, by allowing them to invest in property and equipment when there is high cash flow.

- Title V “S Corporation Permanent Tax Relief” contains text from H.R. 4453 (Reichert, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 263-155 on June 12, 2014. The title (1) makes permanent the reduced five-year recognition period for built-in gains of S corporations that converted from C corporations and (2) makes permanent for S corporations the same basis adjustment rules governing charitable contributions of property that currently apply to partnerships. Making this provision permanent will allow more businesses to convert to S corporations and avoid double taxation. In addition, allowing businesses to have more access to their built-in gains under the reduced five-year recognition period will allow them to access internal capital and invest their gains in ways that create new jobs.
 - Title VI “Bonus Depreciation Modified and Made Permanent” contains text from H.R. 4718 (Tiberi, R-OH) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 258-160 on July 11, 2014. This title makes permanent the additional 50 percent “bonus depreciation” for qualified property that expired at the end of 2013. “Bonus depreciation” is the policy of allowing businesses to claim an additional first-year depreciation deduction equal to 50 percent of the value of the qualified property. Making bonus depreciation a permanent part of the tax code could encourage businesses to make investments in necessary business assets.
 - Title VII “Repeal of Medical Device Excise Tax” contains text from H.R. 523 (Paulsen, R-MN). Although the standalone version of this bill has not passed, the repeal of the medical device tax was voted on as part of the [CR](#) during the government shutdown last year. It was not included in the final agreement between the House and the Senate. Included in ACA, the medical device tax is a 2.3 percent tax on the sale of medical devices in the United States beginning on January 1, 2013. This tax is expected to result in [tens of thousands](#) of jobs lost, device development sent overseas, and an increase in the cost of health care, as providers pass the new tax on to patients. It is for these reasons repealing the tax has received wide bipartisan support.
- Division II – Financial Services
- Title I “Small Business Capital Access and Job Preservation” contains text from H.R. 1105 (Hurt, R-VA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 254-159 on December 4, 2014. This title exempts private equity investment advisers from costly and unnecessary registration and reporting requirements imposed by Dodd-Frank that inhibit additional capital from being invested in businesses. This H.R. 1105 is also part of the RSC JOBS Act, H.R. 4304 (Scalise, R-LA), that is cosponsored by 53 RSC Members. More information about the RSC JOBS Act can be found [here](#).

- Title II “Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification” contains text from H.R. 2274 (Huizenga, R-MI) ([RSC Legislative Bulletin](#)) that passed that House by a [vote](#) of 422-0 on January 14, 2014. This title amends the Securities Exchange Act of 1934 to create a simplified Securities and Exchange Commission registration system for merger & acquisition (M&A) brokers performing services in connection with the transfer of ownership of smaller, privately held companies. M&A brokers play a vital role in helping small and mid-size companies manage the transition from one owner to the next. H.R. 2274 is also part of the RSC JOBS Act, H.R. 4304 (Scalise, R-LA), that is cosponsored by 53 RSC Members. More information about the RSC JOBS Act can be found [here](#).
- Division III – Oversight
 - Subdivision A: Unfunded Mandates Information and Transparency contains text from H.R. 899 (Foxx, R-NC) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 234-176 on February 28, 2014. This legislation amends the Congressional Budget Act of 1974 to require the Congressional Budget Office (CBO), at the request of the chairman or ranking member, to conduct an assessment comparing the authorized level of funding in legislation to the prospective costs of carrying out any changes. It amends the Unfunded Mandates Reform Act (UMRA) to set detailed criteria to guide each agency’s assessment of the effect of federal regulatory actions on state, local, and tribal governments and the private sector. It also allows chairmen and ranking members to request retrospective analysis of federal regulation.
 - Subdivision B: Achieving Less Excess in Regulation and Requiring Transparency
 - Title I “All Economic Regulations are Transparent Act” contains text from H.R. 2804 (Holding, R-NC) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 236-179 on February 27, 2014. This legislation increases regulatory transparency by requiring agencies to submit to the Administrator of the Office of Information and Regulatory Affairs (the “Administrator”) detailed information about each rule they expect to propose or finalize in the following year. The information about the regulations must include a summary of the rule and the legal basis for the rule.
 - Title II “Regulatory Accountability Act” contains text from H.R. 2122 (Goodlatte, R-VA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 236-179 on February 27, 2014, as part of the H.R. 2804 package of bills. The legislation amends the Administrative Procedures Act (APA) to change the process by which federal agencies propose and adopt regulations. It requires greater documentation of the cost-benefit analysis and supporting data in the docket for proposed rules.
 - Title III “Regulatory Flexibility Improvements Act” contains text from H.R. 2542 (Bachus, R-AL) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 236-179 on February 27, 2014, as part of the H.R. 2804 package of bills. This legislation closes loopholes and expands the number of rules covered by the Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness act so that effects on small entities are fully considered when estimating the economic impact of the rule. It requires that alternative rules be identified that could have less economic impact and that agencies consider these alternatives.

- Title IV “Sunshine for Regulatory Decrees and Settlements Act” contains text from H.R. 1493 (Collins, R-GA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 236-179 on February 27, 2014, as part of the H.R. 2804 package of bills. This legislation modifies the consent decree and settlement agreement process in litigation seeking new regulation. It allows parties that would be affected by the proposed regulations to weigh in before consent decrees or settlement agreements requiring regulations are adopted. This legislation allows greater public transparency and participation in the rulemaking process.
- Division IV – Judiciary
 - Title I – “Regulations from the Executive in Need of Scrutiny” contains text from H.R. 367 (REINS Act) (Young, R-IN) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 232-183 on August 2, 2013. This title requires that all rules with an economic impact over \$50 million must be approved by a joint resolution of Congress in order to take effect. H.R. 367 is also part of the RSC JOBS Act, H.R. 4304, (Scalise, R-LA), that is cosponsored by 53 RSC Members. More information about the RSC JOBS Act can be found [here](#).
 - Title II – “Permanent Internet Tax Freedom” contains text from H.R. 3086 (Goodlatte, R-VA) ([RSC Legislative Bulletin](#)) that passed the House by voice [vote](#) on July 15, 2014. This legislation makes permanent a moratorium on internet access taxes and multiple and discriminatory taxes on electronic commerce.
- Division V – Natural Resources
 - Subdivision A: Restoring Healthy Forests for Healthy Communities
 - Title I “Restoring the Commitment to Rural Counties and Schools” contains text from H.R. 1526 (Hastings, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 244-173 on September 20, 2013. This legislation requires the Forest Service to significantly increase the volume of timber it offers for sale each year after timber harvests dramatically declined due to federal overregulation and harmful lawsuits. This section protects the environment by requiring projects to complete National Environmental Policy Act (NEPA) and Endangered Species Act (ESA) consultations, but streamlines the process to avoid frivolous and lengthy delays.
 - Title II “Healthy Forest Management and Catastrophic Wildfire Prevention” contains text from H.R. 1526 (Hastings, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a vote of 244-172 on September 20, 2013. The legislation directs the Secretary to implement a hazardous fuel reduction project or a forest health project on forests on certain forest land that is determined to be at an imminent risk for wildfires or beetle infestation.
 - Title III “Oregon and California Railroad Grand Lands Trust, Conservation, and Jobs” contains text from H.R. 1526 (Hastings, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 244-173 on September 20, 2013. This legislation establishes the Oregon and California Railroad Grant Lands Trust to produce annual maximum sustained revenues in perpetuity by managing the timber resources on Trust lands on a sustained-yield basis. This bill will create thousands of new private sector [jobs](#), while continuing the prohibition on

exporting unprocessed logs from Federal lands to make sure Oregon logs are milled here, not in China.

- Title IV “Community Forest Management Demonstration” contains similar text to H.R. 1294 (Labrador, R-ID) and was included in H.R. 1526 (Hastings, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 244-173 on September 20, 2013. This legislation establishes a program to generate economic activity for local governments and counties containing National Forest System land through a management-focused approach.
- Title V “Reauthorization and Amendment of Existing Authorities and Other Matters” contains similar text to H.R. 1294 (Labrador, R-ID) and was included in from H.R. 1526 (Hastings, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 244-173 on September 20, 2013.
 - Subdivision B: National Strategic and Critical Minerals Production contains text similar to H.R. 761 (Amodei, R-NV) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 246-178 on September 18, 2013. This section would require the Bureau of Land Management (BLM) and the Forest Service to take certain actions aimed at streamlining the process for obtaining permits to extract minerals from federal lands.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: No Congressional Budget Office cost estimate is available.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Yes. The bill contains text from H.R. 3086 “Permanent Internet Tax Freedom Act” that the Congressional Budget Office [estimated](#) “would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the mandate would cause some state and local governments to lose revenue beginning in November 2014; those losses would exceed the threshold established in UMRA for intergovernmental mandates (\$76 million in 2014, adjusted annually for inflation) beginning in 2015. CBO estimates that the direct costs to states and local governments would probably total more than several hundred million dollars annually. The bill contains no private-sector mandates as defined in UMRA.”

Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No.

Constitutional Authority: No constitutional authority statement is available.

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