

GROWERTALKS

SAF in the Lobby

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Movement on Tax Reform

The Society of American Florists

In late July, the Trump administration and congressional leaders released a joint statement on tax reform saying, “the time has arrived” for action to cut tax rates “as much as possible” for corporations and individuals.

Significantly, they discarded the border adjustment tax (BAT) that’s been the centerpiece of the House proposal. They plan for the legislation to move quickly through the committees this fall.

For some time now Washington has been grappling with reforming our tax system and has found progress slow-going.

House Republicans have had a blueprint showing the body’s intended approach to the issue since June of 2016, but it gained sudden importance after the election of President Trump and the retention of a Republican Senate majority after the November 2016 elections.

The blueprint also exposed significant differences within the GOP as the possibility of considering tax reform became a reality.

The most prominent point of contention was the border adjustment tax (BAT), which was also a key component of the blueprint. The provision was criticized by several House and Senate Republicans and seemed to be opposed by President Trump.

During SAF’s Congressional Action Days, attendees asked their members of Congress to exempt floral agricultural products from the BAT. Other industries have vehemently opposed the BAT in its entirety.

Despite the opposition from members of their own party and some industries, House Speaker Paul Ryan (R-WI) and House Ways & Means Committee Chairman Kevin Brady (R-TX) continued to insist that the provision be included in reform.

As a result, tax reform has made no real headway.

The joint announcement for action on tax reform and the abandonment of the BAT is a significant development that may result in the first real movement on the issue.

However, despite an apparently ambitious timeline for pursuing tax reform, discussions continue to be held at a high level without much detail being given to fellow legislators. Representatives of the administration and congressional leaders have stated that because there's more agreement on key issues among members of Congress, they expect tax reform to be easier to pass than health care.

But this will really depend on the nature of the bill itself and some lawmakers have already expressed concerns, as they did with health care, that the leadership is hammering out the details behind closed doors and not sufficiently involving the membership at large. With that said, even with the schisms in the Republican Party, it still seems probable that, at a minimum, there will be some significant tax cuts.

White House Moves to Dismantle Obama-Era Overtime Rule

The Trump administration is following through on campaign promises to reverse course on changes to the overtime law initiated by President Obama.

At the end of June, the Department of Labor sent a formal request for information on the Obama-era rule to the Office of Management and Budget (OMB), which indicates the current administration is ready to dismantle the former administration's efforts to change current overtime laws.

In November, a federal judge in Texas issued a nationwide injunction against an Obama administration regulation expanding by millions the number of workers who would be eligible for overtime pay. The rule change was set to go into effect December 1, 2016 and would have raised the salary limit below which workers automatically qualified for overtime pay to \$47,476 from \$23,660. The judge, Amos L. Mazzant III of the Eastern District of Texas, ruled the Obama administration had "exceeded its authority by raising the overtime salary limit so significantly," according to The New York Times.

After President Trump took office, his Labor Secretary signaled he would try to amend the rule and lower the salary threshold.

"Once approved by OMB that request would ask the public to comment on a number of questions that would inform our thinking," Labor Secretary Alexander Acosta told a Senate subcommittee.

Republican senators have been especially vocal in their opposition to the Obama regulation. And many industry members have been confused and perplexed by the rule, especially as it relates to eligibility standards for overtime pay.

USDA Requests Input from Growers

Hoping to find ways to improve its "customer service and remove unintended barriers" to participation in its programs, the U.S. Department of Agriculture (USDA) is asking for input from the public as part of a larger effort to identify and revise regulations that are harming rural America.

A Federal Register notice has requested comments on regulations that need to be repealed or changed, duplicative rules and the total costs to farms and businesses.

The outreach effort by USDA is part of the Trump Administration's government-wide initiative to reform government and eliminate burdensome regulations. The president has directed each department and agency to create a task

force charged with evaluating existing rules and identify those that should be modified or eliminated.

SAF member Liza Roeser-Atwood, CEO and founder of FiftyFlowers, participated in a Small Business Administration (SBA) roundtable held in Boise, Idaho.

That roundtable was one of a series being convened by SBA throughout the country to seek input from the American public and help identify specific regulatory barriers to small business growth through first-hand testimony.

For further information, contact Michael Poe at (202) 720-5303. **GT**

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