

GROWERTALKS

SAF in the Lobby

3/1/2018

Immigration Discussions Continue in Washington

Society of American Florists

In the midst of the ongoing discussions in Washington about the Deferred Action for Childhood Arrivals (DACA) legislation and looming government shutdowns, a new immigration bill was introduced January 10 by Rep. Bob Goodlatte (R-VA).

The bill, The Securing America's Future Act, includes more aggressive enforcement measures, such as mandating that employers use E-Verify in hiring, authorizing the construction of a border wall and authorizing an additional 5,000 border patrol agents. The bill also creates a new agricultural worker program that will replace the existing H-2A program. In addition, it addresses the DACA issue, but Rep. Goodlatte stressed "there is no new or special path to citizenship for these individuals" in the bill.

SAF has long opposed mandatory E-Verify without the creation of a program to provide an adequate and reliable guestworker program.

DACA allows undocumented immigrants who were brought to the U.S. as minors and remained here to receive a renewable two-year deferral from deportation.

The Goodlatte bill has garnered significant support from House Republicans who believe it could help them avoid being stuck with an unpopular immigration deal from the Senate.

Farm Bill Being Prepared

House Agriculture Committee Chairman Mike Conaway (R-TX) announced the next Farm Bill is being prepared for consideration by the full House before the end of the first quarter of this year.

A number of Farm Bill programs—including the Specialty Crop Block Grants, Specialty Crop Research Initiative and the APHIS Pest and Disease Program—have been vital to the floriculture industry, in both helping to market floriculture products and mitigate production challenges. SAF wants to see these programs preserved and improved in the next Farm Bill.

The Committee's ranking member, Rep. Colin Peterson (D-MN), reinforced the Chairman's timeline by stating that he expects a committee mark up to take place in mid-February.

The House Agriculture Committee has been holding hearings and listening sessions over the last three years to

gather information that will be used to draft the legislation. Members of the Committee have said they want to write a bill that will provide certainty for American farmers and ensure that agriculture programs support the needs of all producers.

President Trump expressed his support for farmers and rural America in a speech earlier this year at the American Farm Bureau Association's annual convention.

As the bill moves through the House and Senate, timing will be important. If the process gets pushed back more than a couple of months, other legislative issues may take priority. Mid-term elections could also slow the process in mid-summer when lawmakers look to spend more time in their districts with constituents.

Importation of Dendrobium spp. Orchid Plants from Taiwan Allowed

On January 30, 2018, The Animal and Plant Health Inspection Service (APHIS) of the U.S. Department of Agriculture announced it finalized a rule to allow the importation of orchid plants of the genus *Dendrobium* spp. in growing media from Taiwan into the United States. The rule will go into effect on March 30, 2018.

APHIS scientists determined that the *Dendrobium* spp. of orchid from Taiwan can be safely imported under a systems approach.

The systems approach established by APHIS scientists is designed to protect against the introduction of plant pests and diseases to the U.S. It requires the registration and monitoring of greenhouses, and specific sanitation and pest control practices in Taiwan.

In addition, each shipment must be accompanied by a phytosanitary certificate declaring that the imported plants meet U.S. regulations. Growers participating in the program must also sign a written agreement with Taiwan's plant protection organization agreeing to comply with U.S. regulations and to allow inspectors access to their growing facilities to monitor compliance.

Experts Weigh in on Tax Law Effects

In the wake of Congress's substantial remodeling of the country's tax code, the Society of American Florists (SAF) recently brought in experts to help its members wade through the changes.

President and General Counsel of the Small Business Legislative Council Paula Calimafde, along with Strategic Policy Director Jessica Summers, recently hosted an SAF webinar discussing key provisions. Overall, the pair said, the bill reflects many positive changes for small businesses, with a few exceptions, but Calimafde said that it's still too early to tell how much these modifications will impact the future.

"This bill makes massive changes to the tax code. It's going to take months, if not years, to be able to fully understand all the provisions and to be able to take advantage of some of these provisions," Calimafde said.

The most significant positive impact of this bill was the change to the corporate tax rate, which was reduced to 21%. This new rate, Calimafde said, is intended to be permanent for planning purposes. Other provisions throughout the bill will likely not be permanent and will sunset in 2025.

Another "win" from the SBLC's perspective involved retaining the "step-up in basis." A "tough one" to get through to Congress, the step-up in basis is critically important for small business owners, the pair said.

When explaining what this basis means for property owners, Calimafde gave the example of her elderly family member who purchased a house in Brooklyn for \$7,000 decades ago and the property is now worth \$750,000.

Without the implementation of a “step-up,” when her daughter inherits the property, she would have to pay capital gains taxes on the difference between the two numbers. With the step up, the daughter would not have to carry the burden of these high capital gains taxes. Moving forward, business owners can look forward to saving money through this benefit, she advised.

Other changes to the state and local tax deduction will affect individuals living in states with notoriously high tax rates, such as California, New York and New Jersey. These could have adverse effects, said Calimafde and Summers. The aggregate possible deduction amount is now capped at \$10,000. This means that individuals will have to decide where to apply their deductions if their taxes exceed the \$10,000 cap. For instance, they may only be able to take \$5,000 from state and local, and \$5,000 from property taxes. Business owners and individuals operating in states with high taxes may be greatly affected by this provision. This change will likely sunset in 2025.

Looking forward, Calimafde said that now is the time to start discussing planning opportunities with your accountants. Although many provisions are in favor of small businesses, it’s hard to say where the future is headed. As these are just a few of many examples of the changes, follow up with your specialists for more information. **GT**

“SAF in the Lobby” is produced by the Society of American Florists, www.safnow.org. For more information on legislative issues, contact the Government Relations Department.