Congress Returns for Two Weeks

On Monday, September 8, the House and Senate will convene in Washington. With upcoming elections for 435 House members and one-third of the Senate, there will only be two weeks to complete the nation’s business. By the middle of September, the campaigns for House and Senate seats will be operating at full speed.

House Majority Leader Kevin McCarthy (R-CA) and Senate Majority Leader Harry Reid (D-NV) have both stated objectives for the shortened legislative session. McCarthy published a memo on September 4 that promises votes on a jobs package and an energy bill.

In the memo, McCarthy notes that it is important to develop "positive solutions to build a robust economy and foster job creation." The jobs bill will combine seven existing bills.

1. **American Research and Competitiveness Act (H.R. 4438)** – permanently expands the simplified research credit.

2. **America's Small Business Tax Relief Act (H.R. 4457)** – allows Sec. 179 expensing for up to $500,000 in equipment each year.

3. **S Corporation Permanent Tax Relief Act (H.R. 4453)** – makes permanent a five-year built-in gains recognition for S corporations that were previously C corporations. It also allows favorable
basis rules for S corporations making charitable gifts of appreciated property.

4. **Bonus Depreciation Act (H.R. 4718)** – expands the definition of qualified property for owner-occupied retail stores to enable benefits from the higher depreciation.


6. **Save American Workers Act (H.R. 2575)** – defines full-time employees as a 40 hour work week rather than the current 30 hours.

7. **Hire More Heroes Act (H.R. 3474)** – allows veterans who are hired to not count for the employer healthcare mandate.

Senator Reid indicated that he will try again to vote on the EXPIRE Act. This bill would extend all of the 54 tax extenders for 2014 and 2015, retroactive to January 1 of this year. A previous vote on the bill failed over a controversy between the parties on amendments. Reid noted at a Nevada conference on September 4, “Letting these critical incentives expire is not an option. I will bring them up for a vote before the end of the year.”

Both parties expect to pass a continuing resolution to fund the government for the new year starting on October 1. The continuing resolution will be effective until the November lame-duck session.

**Editor’s Note:** In the shortened legislative session, both parties are expected to pass bills that will state their positions. Most of these bills will not be accepted in the other chamber. The needed continuing resolution will be passed and other bills will be deferred until November. The IRA charitable rollover and other charitable extenders are nearly certain to be passed in the November session, but the bill may not be signed until late November or early December.