

H.R.1: Provisions that Could Impact Member Operations

Title II: Committee on Armed Services

- Sec. 20002: Shipbuilding
 - Enhances funds for shipbuilding initiatives, including:
 - \$492 mil for next-generation shipbuilding techniques
 - \$450 mil for additional maritime industrial workforce development programs
 - \$500 mil for rescue and salvage ships
 - \$300 mil to produce ship-to-shore connectors
 - \$1.534 bil for expansion of small, unmanned surface vessel production
- Sec. 20004: Defense Supply Chain
 - \$500 mil for the development, procurement, and integration of maritime mines

Title III: Committee on Banking, Housing, and Urban Affairs

- Sec 30004: Defense Production Act
 - \$1 bil to carry out the Defense Production Act

Title IV: Committee on Commerce, Science, and Transportation

- **Sec. 40001: USCG Mission Readiness**
 - **\$24.593 bil to procure/acquire new operational assets and systems, to maintain existing assets and systems, to design, construct, plan, engineer, and improve necessary shore infrastructure, and to enhance operational resilience for monitoring, search and rescue, interdiction, hardening of maritime approaches, and navigational safety; including:**
 - **\$4.3 bil for procurement of Offshore Patrol Cutters**
 - **\$1 bil for procurement of Fast Response Cutters**
 - **\$162 mil for procurement of Waterways Commerce Cutters, equipment related to such cutters, and program management for such cutters, to support aids to navigation, waterways and coastal security, and search and rescue in inland waterways**
- Sec. 40008: National Oceanic and Atmospheric Administration
 - Rescinds amounts previously allocated

Title V: Committee on Energy and Natural Resources

- Sec. 50403: Energy Dominance Financing
 - \$1 bil for financing traditional energy infrastructure projects

Title VI: Committee on Environment and Public Works

- Sec. 60001-60024
 - Repeals unobligated funds for the following programs and initiatives:
 - Greenhouse Gas Reduction Fund
 - Diesel Emission Reductions
 - Air Pollution
 - Low Emissions Electricity Program
 - Renewable Fuel Standard Program
 - Greenhouse Gas Corporate Reporting
 - Methane Emissions and Waste Reduction Incentive Program for Petroleum and Natural Gas Systems
 - Greenhouse Gas Air Pollution Plans and Implementation Grants
 - Environmental and Climate Data Collection
 - Low-Carbon Transportation Materials

Title VII: Finance

- Sec. 70105: Deduction for Qualified Business Income
 - Permanently extends 20% deduction for qualified business income
- Sec. 70202: Overtime Taxation
 - Enacts a deduction in an amount equal to the qualified overtime compensation received during the taxable year (generally will not exceed \$12,500 or \$25,000 for a joint return)
 - Phases out for higher earners
 - Applies only to overtime required under Section 7 of the Fair Labor Standards Act (i.e., 1.5× pay for hours worked over 40 per week)
- Sec. 70301: Business Property Expensing
 - Makes 100% expensing permanent for qualified business property, including machinery, equipment, computers, vehicles, and other tangible property
- Sec. 70302: Domestic Research and Experimental Expenditures
 - Allows businesses to fully deduct R&E expenses or amortize the expenses over a minimum of 60 months
 - Eligible businesses can amend 2022-2024 returns to retroactively reimburse for R&E costs
- Sec. 70304: Paid Family and Medical Leave Credit
 - Makes tax credit permanent and enacts new clarifications as to the amount for which credit will be made available

- Rate of payment determined without regard to whether employees were on family and medical leave during the taxable year
 - Lowers minimum employment tenure to 6 months
- Sec. 70305: Business Meals
 - Grants 100% deductibility for certain meal categories, including those provided on business premises for employees and during trainings, seminars, and meetings
- Sec. 70306: Depreciable Business Assets
 - Increases maximum deduction limit to \$2.5 mil
 - Raises phase-out threshold to \$4 mil
- Sec. 70307: Depreciation Allowance for Qualified Production Property
 - Temporarily allows businesses to immediately deduct 100% of the cost of new qualified production property, including physical structures
 - Full deduction only available during a 3-year period
- Sec. 70341: Coordination of Business Interest Limitation with Interest Capitalization
 - Reorders how business interest expense limitations interact with interest capitalization rules, making it easier to deduct interest
 - Ensures that disallowed interest is not capitalized
- Sec. 70342: Adjusted Taxable Income for Business Interest Limitation
 - Redefines adjusted taxable income used to calculate the interest deduction cap as earnings before interest, taxes, depreciation, and amortization (return to pre-2022 standard)
- Sec. 70354: Pro Rata Share Rules
 - Clarifies attribution mechanics for complex ownership structures and prevents manipulation of ownership percentages to reduce U.S. tax liability
 - Aligns attribution rules with updated definitions of tested income and foreign-derived deduction-eligible income
- Sec. 70401: Enhancement of Employer-Provided Childcare Credit
 - Increases the credit rate from 25% to 40% of qualified childcare expenses, with some businesses earning a rate of 50%
 - Raises the maximum annual credit from \$150,000 to \$500,000 for most businesses
- Sec. 70412: Employer Payments of Student Loans
 - Permanently allows employers to exclude up to \$5,250 per year in student loan payments from an employee's taxable income
- Sec. 70421: Opportunity Zones Program

- Permanently renews and enhances the Opportunity Zones program and broadens eligible investments
 - Establishes new reporting requirements for Qualified Opportunity Zone Businesses, Qualified Rural Opportunity Zone Businesses, Qualified Opportunity Funds, and Qualified Rural Opportunity Funds
- Sec. 70423: New Markets Tax Credit
 - Permanently extends the new markets tax credit
 - Introduces inflation indexing beginning in 2026 and provides alternative minimum tax relief
- Sec. 70426: Charitable Contributions Made by Corporations
 - Allows corporations to only deduct charitable contributions that exceed 1% of their taxable income
 - Contributions below the 1% threshold are not deductible in the current year, but can be carried forward up to 5 years
- Sec. 70431: Small Business Stock Gain
 - Expands the tax benefits for Qualified Small Business Stock and shortens holding periods
 - Raises gain exclusion cap to \$15 million per issuer and increases the gross asset threshold to \$75 million
- Sec. 70433: Information Reporting
 - Increases the 1099 reporting threshold from \$600 to \$2,000 for payments made to non-employees (applies to Forms 1099-NEC and 1099-MISC)
 - Raises backup withholding threshold to \$2,000
- Sec. 70438: Disaster-Related Personnel Casualty Losses
 - Extends special tax rules for disaster-related personal casualty losses and allows taxpayers to claim losses without itemizing deductions
- Sec. 70502: Clean Vehicle Credit
 - Ends the credit for clean vehicles acquired after September 30, 2025
- **Sec. 70503: Commercial Clean Vehicle Credit**
 - **Ends the credit for qualified commercial clean vehicles acquired after September 30, 2025**
- Sec. 70507: Energy Efficient Commercial Buildings
 - Ends tax deductions for energy-saving commercial building upgrades
- Sec. 70515: Advanced Energy Project Credit Program
 - Restricts the future expansion of the Advanced Energy Project Credit Program
- Sec. 70521: Clean Fuel Production Credit
 - Extends the Clean Fuel Production Credit expiration date to December 31, 2029

- Applies to transportation fuels that meet lifecycle greenhouse gas emission thresholds
 - Prohibits negative emissions rates in most cases
- **Sec. 70524: Income from Hydrogen, Carbon, and Other Qualifying Income of Traded Partnerships**
 - Expands the definition of qualifying income for publicly traded partnerships
 - Designates income from new activities as qualifying, including the transportation of hydrogen and clean fuels and carbon capture
- Sec. 70525: Dyed Fuel
 - Codifies dyed fuel rules
 - Reinforces that indelibly dyed diesel fuel and kerosene are exempt from excise tax when used for off-road purposes
- **Sec. 70531: De Minimis Entry Privilege for Commercial Shipments**
 - Eliminates and restricts the de minimis entry privilege, and establishes new civil penalties (i.e., \$5000 for first violation, \$10,000 for each subsequent violation)
 - Requires that all commercial shipments be subject to standard customs duties and procedures beginning July 1, 2027
- Sec. 70601: Excess Business Losses of Noncorporate Taxpayers
 - Permanently extends the limitation on excess business losses for noncorporate taxpayers
- Sec. 70602: Payments from Partnerships to Partners for Property or Services
 - Allows the IRS more flexibility to scrutinize partner compensation without waiting for formal rulemaking
 - Payments more easily classified as guaranteed payments or disguised sales
- Sec. 70603: Excessive Employee Remuneration
 - Applies the \$1 million deduction cap to all members of a controlled group
 - Allocates the \$1 million cap proportionally based on each member's share of total remuneration, if members compensate the same executive
 - Ensures that non-public subsidiaries of a public company can't escape the deduction limit by paying executives directly
- Sec. 70604: Excise Tax on Certain Remittance Transfers
 - Imposes a new 1% excise tax on certain outbound remittance transfers, specifically cash-based transactions sent outside the U.S.
 - Exempts transfers made via U.S. bank accounts, U.S.-issued debit and credit cards, and digital apps
- Sec. 70607:

- Establishes a task force to explore replacing the IRS's Direct File program with a public-private partnership model