**Tax Reform**

On November 16, the House passed The Tax Cuts and Jobs Act, tax reform legislation [opposed by NAHB](http://nahbnow.com/2017/11/house-bill-hurts-the-middle-class-nahb-says/) because of its detrimental effects on the housing market and middle-class families. Late that evening, the Senate Finance Committee advanced its version of tax reform legislation that NAHB believes is better for the housing sector. A vote on the Senate’s bill is expected the week of November 27.

Like the House bill, the Senate tax plan fails to provide a meaningful incentive for homeownership for the middle class. NAHB is working to advance a homeownership tax credit which would benefit the middle-class and create a housing incentive in the tax legislation.

The Senate tax plan does however contain positive elements for housing. It would protect important provisions to boost the production of affordable housing, including the Low-Income Housing Tax Credit and the tax-exempt bond program.

The Senate package would also provide sufficient tax reductions for small businesses to enable them to remain major drivers of job growth and maintain a level playing field with large corporations.

For more information on tax reform visit https://www.nahb.org/en/research/nahb-priorities/tax-reform-new/nahb-opposes-tax-reform-plan/tell-congress-to-support-the-homeownership-tax-credit.aspx

**Flood Insurance**

On November 14, the House approved legislation that would reauthorize the [National Flood Insurance Program](https://www.fema.gov/national-flood-insurance-program) (NFIP) for five years and includes many NAHB-supported modifications to the program.

Currently, anyone who owns or is purchasing a property within the 100-year floodplain, and has a federally-backed mortgage, is required to carry flood insurance. Failure to reauthorize the NFIP before it expires on Dec. 8 will cause the delay or cancellation of home sales across the country.

The Senate has yet to move any piece of legislation related to the NFIP through committee. The House vote will put pressure on the Senate to act, and NAHB will continue to urge Congress to pass a long-term NFIP reauthorization before the Dec. 8 deadline.

**Joint Employer**

On November 17, the House passed the bipartisan [Save Local Business Act](https://www.congress.gov/bill/115th-congress/house-bill/3441), legislation that would amend the [National Labor Relations Act](https://www.nlrb.gov/resources/national-labor-relations-act) and [Fair Labor Standards Act](https://www.dol.gov/whd/flsa/) to restore a common-sense joint employer standard for home building firms and other small businesses.

In 2015, the National Labor Relations Board (NLRB) overturned decades of precedence in the case of [Browning-Ferris Industries of California Inc](https://www.nlrb.gov/news-outreach/news-story/board-issues-decision-browning-ferris-industries). by affirming that a company could be considered a joint employer if it has indirect control or the potential to determine the key terms of an employee’s employment, including hiring and firing, supervision, scheduling and the means and method of employment.

The NLRB left open-ended the question of what can be deemed indirect control and just how much of it could legally constitute joint employment, causing confusion and uncertainty for the housing and small business community.

This is especially problematic for the housing industry, given that most home building companies employ fewer than 10 workers and rely on an average of 22 subcontractors to complete a home.

The Save Local Business Act offers a common-sense solution to the uncertainty generated since the NLRB ruling by proclaiming that a company may be considered a joint employer of a worker only if it “directly, actually, and immediately” exercises significant control over the primary elements of employment.

**Softwood Lumber**

In November, the Commerce Department made a final decision to impose countervailing and anti-dumping duties on Canadian Lumber Imports. The Department moved to impose duties averaging 20.83% on Canadian lumber shipments into the U.S. This move was particularly disappointing given that NAHB had recently met with Commerce Secretary Wilbur Ross to express our concerns on this issue.

Lumber is a major component in new home construction and one-third of the lumber used in the U.S. last year was imported. The bulk of the imported lumber – more than 95% – came from Canada. Canada and the U.S. need to work cooperatively to achieve a long-term, stable solution in lumber trade that provides for a consistent and fairly priced supply of lumber. On the domestic front, policymakers need to take steps that will help U.S. lumber firms meet domestic demand. Those efforts must include better and more active management of our federally owned forests to promote healthier forests which face imminent danger posed by insects, disease and catastrophic wildfire damage.

**Association Health Plans**

NAHB has been a long-time proponent of association health plans, which would empower small businesses to pool together to purchase health insurance plans for their employees.

[President Trump has signed an executive order](http://nahbnow.com/2017/10/a-step-forward-for-association-health-plans/) that would ease restrictions on association health plans and while we are very excited by Trump’s actions in signing the executive order, there are still a lot of unanswered questions moving forward.

Though the general intent is clear, the executive order itself does not change existing law. Rather, it directs federal agencies to determine the extent of the regulatory actions they can pursue to meet the President’s health care directives.

Those actions are likely limited compared to legislative steps like NAHB-supported bills [passed by the House](http://nahbnow.com/2017/03/house-approves-nahb-supported-association-health-plan-bill/) and [pending in the Senate](https://www.enzi.senate.gov/public/index.cfm/news-releases?ID=871F4712-5A0E-46B6-BA02-8DDC99204D6B) that could make more substantive and permanent changes to the law to expand the ability of businesses to form association health plans.

The executive order directs the Department of Labor to consider proposing regulations or guidance on association health plans within 60 days. As a result, it will be weeks if not months before we see a proposal take shape. NAHB will have a better idea of how plans would need to be structured and how state insurance regulators will respond once that becomes available.

NAHB Senior Officers have already begun discussions to make sure the association stays on top of the issue and is positioned in the best possible way moving forward.

**Overtime**

A federal judge struck down the Obama administration’s overtime rule that would have doubled the salary threshold for workers to be able to receive overtime pay. The Justice Department subsequently announced it would not appeal the ruling, effectively ending the Obama-era expansion of the overtime rule.