

PCC Member Meeting Notes

November 14, 2024

I. Welcome

- a. Thank you for joining; we're excited to speak to you. Now that we're post-election, we have an indication as to where public policy is headed federally and in the states.
- b. Welcome to Mary Kate Cunningham, Senior Vice President of Public Policy at ASAE, who is re-joining the steering committee for the PCC with Jeff Evans' departure from ASAE. Mary Kate has been integral to the founding of the PCC and we're glad to have her back in a leadership role on behalf of the ASAE.
- c. For those of you that have paid a portion or all of your annual membership dues for the PCC, you should have received an email with an updated password for the members-only section of the website. Please let us know if you did not receive that email by contacting us at info@profcertcoalition.org.

II. 2024 Post-Election Outlook

- a. Shifts from the 2020 Presidential Race
 - i. This presidential race showed a big shift in voting patterns. We saw momentum for right-of-center governance, which will impact our actions as PCC.
- b. Presidential Election Outcome
 - i. Trump won the former "blue wall" states of Michigan, Pennsylvania, and Wisconsin—narrowly, but meaningfully. The margins of movement towards Trump were smaller in the swing states than they were in other states, which suggests that there was a certain effectiveness to the Harris campaign—but it couldn't ultimately overcome a broader shift in voting patterns across many demographic groups and throughout the country.
- c. Republicans Take the Senate
 - i. Republicans: 53 seats
 - ii. Democrats: 47 seats
- d. Republicans Maintain Control of the House
 - i. Republicans: 220 seats
 - ii. Democrats: 215 seats

iii. This is basically where we were last Congress, which is somewhat of a surprise; we expected there might have been a larger boost for Republicans while taking the White House and the Senate.

e. Tax Reform Under a Trump Administration

i. Tax reform is the major policy issue that is relevant to the PCC.

ii. A number of the tax provisions in the 2017 Tax Cuts and Jobs Act are coming up for renewal next year, which makes next year the logical year to push a big, tax-related bill (“Taxmageddon”).

iii. The Senate can use budget reconciliation to extend the Tax Cuts and Jobs Act—and using budget reconciliation allows it to pass the bill with a **simple majority**.

iv. Some of the items that will be on the agenda, which are borrowed from Project 2025:

1. Taxation of non-profit associations;

2. No tax on tips;

3. No tax on Social Security income;

4. No tax on overtime pay;

5. Reduction of the corporate tax rate from 21% to 15%.

f. Non-Profit Taxation

i. With respect to non-profits in particular, several conservative/libertarian think tanks have expressed an interest in “leveling the playing field” between for-profits and non-profits—this would include taxing non-profits at the corporate rate. It has been proposed that non-profit associations would be taxed under this structure based on donation revenue.

ii. In response to this threat, ASAE and others are launching a coalition to protect the nonprofit sector on this issue.

iii. ASAE’s Tax Reform One-Pager: <https://powerofassociations.org/wp-content/uploads/2024/11/ASAE-Tax-Coalition-Overview-11.6.24.pdf>

g. Effect of Administration Change on Antitrust Efforts

i. Historically and traditionally, Republicans were more aggressive antitrust enforcers because of the sense that antitrust laws are the rules of commerce and the Republican Party is the party of commerce and trade.

However, the Biden administration has been extremely aggressive with respect to antitrust and competition policy.

- ii. Trump and his supporters generally favor aggressive deregulation. It is almost certain that the FTC chairmanship will change, and depending on who ultimately leads the U.S. Department of Justice, we might see less antitrust enforcement activity, especially in the tech sector.
- iii. In terms of the one antitrust issue that has been most of the PCC's agenda—the Healthy Competition website—it is hard to say what will happen next. Our contact with whom we engage at the DOJ is currently on extended leave, so it seems that it may be unlikely that there will be more movement on these matters prior to the start of the Trump administration.
- iv. Note that there are some ascendant players in the Republican party, including Vice President-elect Vance, who have been relatively supportive of the antitrust activity being put forward by FTC Chairwoman Khan. They've expressed support insofar as it furthers their political goals with respect to reining in Big Tech in particular.

III. Federal Legislative Activity

a. Freedom to Invest in Tomorrow's Workforce Act

- i. We have built strong bipartisan support for this legislation:
 - 1. We have 80 Republican cosponsors and 59 Democratic cosponsors in the House.
 - 2. We have 25 cosponsors in the Senate (a quarter of the Senate has signed on) – the partisan breakdown is 13 Democrats and 12 Republicans.
 - 3. The language that we negotiated with the House Ways and Means Committee was reported to the House floor as part of a larger bill, which suggests that our bill is one of the key policy priorities
- ii. Because our bill amends the tax code, we are advocating for its inclusion in tax-related legislation, which gets us back to our discussion of Taxmageddon earlier:
 - 1. Next year is our best opportunity to get our bill enacted into law. There is an obvious moving vehicle to which our bill could be attached, which would only need a simple majority support in both the House and the Senate; we are going to pull out all of the stops to make this happen.

2. To that point, we have several key tasks ahead in the coming weeks:
 - a. Now that we are post-election, we will meet with bill sponsors on both the House side and the Senate side.
 - i. The key item to address is who will be the bipartisan champions who introduce the bill alongside those cosponsors.
 - ii. Our longtime Democratic champion, Rep. Abigail Spanberger (D-VA), is leaving Congress to run for Governor of Virginia, so we need a new top Democrat on our House version of the bill. On the Senate side, Sen. Mike Braun (R-IN) won his state's governor's race, so we also need a new top Republican sponsor.
 - iii. We have some folks in mind and have begun discussions, but we aim to lock that down in the next few weeks and will be in touch.
 - b. Our next task will be to get everyone who's already signed on to sign on again at the start of the new Congress. We also want to secure additional lawmakers.
 - c. We are engaging with relevant committee staff who have jurisdiction over this bill to understand what they view as the path forward and what they need from us to get our bill included in the bigger bill.
 - d. Finally, our biggest job, and the job that we hope to enlist all of you in is **advocating very strongly for inclusion of our bill in the tax reform package and enactment of the tax reform package to include our bill**. We look forward to generating grasstops and grassroots involvement. You will be hearing a lot from us on that in the interim!

iii. Tomorrow's Workforce Coalition – Call to Action

1. The Tomorrow's Workforce coalition now has 890 members.
2. As we signaled in our message to you preceding the call today, we are going to make some changes to the TWC that are emblematic of the urgency of having an all-hands-on-deck lobbying effort for the Freedom to Invest in Tomorrow's Workforce Act.

3. With that, we will offer a **paid membership option** for members of the TWC for those who want to take a greater leadership role and engagement role in getting this bill passed.
4. **This is a critical time for the bill.** We are creating these additional levels because organizations expressed an interest in helping us get this over the finish line.
5. The most critical point here: tax reform affects everyone. Everyone wants to be included in this bill, so **we need to find a way for our voice to rise above the cacophony of other voices that Congress and the Administration will be hearing from.** We have done a great job of this so far—we have risen above other priorities, as evidenced by the fact that our bill was approved by Ways and Means—but this is the moment to utilize every tool we have in the toolbox.

IV. State Legislative Activity

- a. There hasn't been movement on any of the bills we're tracking or any state bills, but we are continuing to monitor and are preparing for the upcoming state legislation sessions.
- b. Stakeholder Outreach
 - i. We will be meeting soon with representatives from the Clean Slate Initiative. We will provide a readout of that conversation at our next member meeting.
 - ii. We'll continue outreach to other groups to get a sense of what we can expect in terms of alignment and opposition in the coming legislative season.

V. Conclusion