



**PLUMBING-HEATING-COOLING
CONTRACTORS ASSOCIATION**

A New Landscape Gives PHCC New Paths to Lead



By Kevin Schwalb, PHCC Government Relations Director

A new president, a new Senate and a new House of Representatives—Washington, D.C., is still getting used to the changes that we saw in the 2008 elections. The White House has changed political parties as well as occupants, and the U.S. Senate and House of Representatives have further increased Democratic majorities in which to legislate. With this new landscape, PHCC is moving forward in new paths to positively shape the legislative and regulatory future for PHCC members and industry partners.

The main issue that swept the new Administration and Congress into power was the downward spiral of the U.S. economy and the shrinking credit markets. Not surprisingly, that has been the primary focus in Washington so far this year. The American Recovery and Reinvestment Act

of 2009, otherwise known as the “Stimulus Bill,” has been the most prominent response to the economic recession. While there was, and still is, much debate about the size of the package, PHCC worked to include some silver linings for PHCC members in the form of tax breaks.

Some of the tax incentives in the bill include credits for purchasing a home for the first time and for making homes already owned more energy efficient. Higher efficiency central air conditioners, hot water heaters, furnaces and boilers, air source heat pumps, solar systems and geothermal heat pumps are examples of the qualifying energy-efficient improvements.

PHCC also supported an additional \$2.4 billion of qualified energy conservation bonds to finance state, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions. These measures all have the potential to provide a boost to the construction industry.

The stimulus bill also delays until 2012 a provision set to begin in 2011 that would require federal, state and local governments to withhold three percent of all payments for goods and services to assure proper taxes are paid. PHCC is continuing to work to abolish the three percent government withholding tax before it takes effect in 2012.

Noting trends during the debate and passage of the stimulus bill, PHCC sees

opportunities in which to change the current business environment on several different issues.

ESTATE TAX

On the Estate Tax front, a proposal has been put forth that would make the estate tax exemption be “frozen” at the 2009 level of \$3.5 million and the top rate would be “frozen” at 45 percent. PHCC is working with Congressional leadership to come up with an Estate Tax proposal that would benefit small businesses.

ALTERNATIVE MINIMUM TAX

One of the proposals being discussed to fix the Alternative Minimum Tax (AMT) is to make the current temporary income levels “patch” permanent at the 2009 levels with indexing for inflation in future years. This would be a way for Congress to not have to continually pass an AMT patch every year.

UNFAIR UTILITY COMPETITION

Unfair utility competition continues to be a concern to PHCC membership. PHCC is working with Sen. Russ Feingold (D-WI) to introduce a bill that would eliminate such competition.

Each year, PHCC members converge on Capitol Hill to meet with the House of Representatives and U.S. Senators to make their views known.

On April 30, during Leadership and Legislative '09, a team of contractors from various states will have the opportunity to “rub elbows” with national decision-makers during planned events.

This annual forum allows PHCC member contractors and leaders to galvanize a united front on Capitol Hill.

Visit www.phccweb.org for more information.

