



**Issue  
Briefing  
Paper**  
Federal  
Advocacy  
Strategies  
2017

**IBP XXX**  
January 2017

---

**Committee: Government Affairs Committee**

**Committee Chairman: Laurence**

**Carolan Officer Liaison: Robi Kirsic**

**Staff Liaison: Dan Taddei, MS Ed,**

**BCA**

**NARI'S FEDERAL ADVOCACY STRATEGIES 2017**

As the *Voice of the Remodeling Industry* and as an industry leader, NARI seeks to build a greater understanding of the remodeling industry by government leaders. Since 2009, spending on home improvements has surpassed new home construction. There are almost 135 million housing units in the United States; 85 million homes are 25+ years old and in need of renovations, energy efficiency improvements, and routine maintenance. NARI can play a constructive role in the regulatory and legislative process so that government policies fully recognize the importance of the remodeling industry. NARI supports legislative and regulatory policies that are consistent with NARI's core purpose and core values, reflecting the highest professional and ethical standards in the industry.

**WORKFORCE DEVELOPMENT**

The national unemployment rate remains close to 5.0%, indicating a shrinking of available workforce. NARI is conscious of the struggles by professional remodelers to find skilled workers. NARI will work with Congress, the U.S. Department of Labor, and other agencies to increase the pool of skilled workers available to the remodeling community. NARI supports increased training opportunities that will lead to greater access to skilled labor, without discrimination based on labor affiliation. In addition, NARI supports efforts to integrate Career and Technical Education back into High School curriculums across the country. Students today must be made aware of the option of a career in the Trades. In addition to working with government entities, NARI will continue to participate in Workforce Development Coalitions with other industry partners to help bring attention to this problem as well as work on solutions.

**TAX REFORM**

For a number of years Congress has discussed the need to undertake

comprehensive tax reform. Unfortunately, partisan disagreements have prevented Members of Congress from moving forward on this issue.

However, with the Republicans gaining control of the White House as well as keeping their majorities in both the House and the Senate, the prospect of comprehensive tax reform has increased considerably. Speaker Paul Ryan, a former chairman of the House tax writing committee, has long had an interest in tax reform. Likewise, during the campaign Mr.

Trump promised tax reform and as his plan evolved it began to look very similar to the plan advocated by the Speaker.

The Trump plan simplifies the tax code down to three income brackets, with the top bracket dropping from the current 39.6% down to 33%. In addition, Corporate tax levels would lower from 35% to 15%. The new rules would also allow pass-through entities, such as sole

proprietors, to be taxed at this low rate rather than at the higher personal rate. Policymakers often mistakenly try and help the employer community by focusing their efforts in tax policy on solely reducing corporate tax rates. NARI will work with the S-Corp Association and other small business groups to inform Congress about the importance of individual rates. According to NARI's Membership profile, the majority of NARI members file taxes as individuals. S-Corps are their most common form of ownership structure, with 50 percent of members incorporated as an S-Corp. NARI will seek to lower individual rates and will work to ensure that the importance of individual rates is recognized as a critical component of tax policy.

There has also been discussion about the elimination of a number of tax deductions. While NARI supports tax reform, the organization is concerned about discussions regarding the elimination of the home mortgage interest deduction. That deduction allows NARI customers to budget for remodeling projects and promotes greater home ownership in America. NARI will oppose efforts to remove the home mortgage interest deduction as part of a coalition led by the National Association of Realtors (NAR).

Another item involves proposals that would create a tax credit for senior citizens who modify their residences to enhance their ability to remain living safely, independently, and comfortably in their residences. Aging in the place is the preferred option for the vast majority of Americans and most will try and live in their homes for as long as they can. Remodelers can assist Seniors as they make plans to stay in their homes. This tax proposal will actually save money as it will (a) allow seniors to stay in their homes as opposed to moving to assisted living facilities; and (b) it will help prevent falls and corresponding health problems.

## **BUILDING CODES**

The building codes impact every facet of the remodeling project. Codes that do not reflect the current state of the art in building science and technology can have an adverse effect on the performance and profitability of NARI remodelers. To that end NARI will be involved in the development of applicable building codes.

NARI is a member of the ICC Industry Advisory Committee (IAC). Its purpose is to promote public health, safety, and welfare in the build environment by serving as a national forum for the building community to interface with the ICC.

NARI will work to improve the building codes related to indoor air quality by providing input to the relevant committees of ASHRAE which is the standards organization that will establish and revise the standards found in the code

NARI will also work with interested organizations in support of including the requirement for contractors pulling permits on homes built before 1978 to be RRP Certified.

## **INDUSTRY REGULATION**

The U.S. Environmental Protection Agency's (EPA) implementation of the Lead Renovation, Repair and Painting (LRRP) rules continues to be a concern. NARI remains troubled that EPA's rules unnecessarily add costs to projects where there is no risk of lead poisoning.

Additionally, EPA's lack of enforcement and failure to increase public awareness of LRRP has created an underground economy of uncertified contractors who put families at risk and threaten the professionalism of the remodeling industry. NARI will continue to push for tougher EPA enforcement against non-certified contractors who are endangering homeowners and their families.

The number of federal mandates and paperwork associated with federal rules and regulations is growing at an alarming rate. NARI will support efforts in the House and Senate to give small businesses a more powerful voice in the regulatory development process and to remove unnecessary regulatory barriers that stifle business growth and job creation.

## **ENERGY EFFICIENCY**

Comprehensive energy legislation was very close to being completed in 2016. Included in that legislation was bipartisan energy-efficiency measures, which continue to attract attention as a way to advance the mutual interests of the environmental and business communities. While, the comprehensive bill failed to pass in 2016, NARI has been and will continue to be a strong supporter those measures that recognize the value of home energy improvements to existing homes. The organization remains hopeful that the next Congress can build on the work already done and quickly pass a new energy bill.

Additionally, NARI is proud of its certification and training curriculum that includes instruction on the latest methods of providing customers with energy efficient homes. NARI will educate Congress on the Association's certification programs to ensure that energy efficiency measures, contained in federal legislation, do not create additional or competing requirements that would place NARI members at a competitive disadvantage.

## **NARI Member Engagement**

Engagement of congressional representatives by NARI members is critical to the success of our Advocacy program. NARI will support outreach to chapters to provide guidance and assistance in establishing relationships between our members and their congressional representatives. Additionally, on a case by case basis NARI will assist local chapter leaders reach out to state regulators to give input on State legislation and to develop enforcement strategies as appropriate.

Updates on bills and regulations that fit within these Federal Advocacy Priorities are posted to NARI's Government Affairs page online at [www.nari.org/advocacy/ga](http://www.nari.org/advocacy/ga).