



AGC
THE CONSTRUCTION
ASSOCIATION



2025-2026

AGC of America's Federal Legislative and Regulatory Priorities



Founded in 1918, The Associated General Contractors of America, the voice of the construction industry, is an organization of qualified construction contractors and industry-related companies dedicated to skill, integrity and responsibility. Operating in partnership with its vast network of 88 chapters, the association provides a full range of services satisfying the needs and concerns of its members, thereby improving the quality of construction and protecting the public interest.

AGC represents over 28,000 firms, including nearly 7,000 of America's top general contractors, more than 9,300 specialty contractors, and 12,000 service providers and suppliers. AGC members construct commercial and public buildings, airports, shopping centers, factories and industrial plants, schools, dams and flood control facilities, highways, roads and bridges, ports, public transit, underground facilities, water and wastewater treatment facilities, multifamily housing projects, military and defense related facilities, rail and transit facilities, tunnels, housing developments, and mining operations. Their work supports essential industries and communities across the country.

Visit [agc.org](https://www.agc.org) to learn more about the association and construction industry.

A handwritten signature in black ink that reads 'Alex Etchen'.

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AGC's Top Policy Principles 2025-2026

01

Increase Investment in and Incentives for Public and Private Construction to Support Jobs and Economic Growth

02

Improve the Pipeline for a Safe, Trained and Diverse Construction Workforce

03

Preserve the Delicate Balance in Federal Labor Policy that Permits Employees to Freely Choose to Engage in Collective Bargaining and that Allows Employers to Maintain Operations Free of Unwarranted Disruptions

04

Advance Policies that Mitigate Supply Chain Challenges and Address Cost Increases and Project Delays

05

Ensure that Tax and Fiscal Policies Promote Entrepreneurialism and Long-Term Economic Growth

06

Support Regulations, Policies, Guidance, and Executive Orders that Are Necessary, Cost-Effective, and Practical

07

Streamline The Federal Procurement Process To Save Money, Increase Competition and Improve Opportunities For Small Business



01

Increase Investment in and Incentives for Public and Private Construction to Support Jobs and Economic Growth

Maintain the Infrastructure Investment and Jobs Act's Levels of Funding and Support Robust Funding for a New Highway and Transit Reauthorization to Rebuild the Nation's Highways, Bridges, Public Transit System, and Other Infrastructure

Conduct Oversight of the Infrastructure Investment and Jobs Act to Ensure it is Implemented as Passed by Congress

- **Timely Infrastructure Funding Investment:** Work with Congress and federal agencies to deploy IIJA funding in a swift and timely manner to ensure the same for project delivery
- **Ensure Flexibility for Programs:** Continue emphasizing that non-federal partners – state departments of transportation, public transit agencies, and others – as well as construction companies should have ongoing flexibility to address and prioritize their unique transportation needs – including adding highway capacity - while balancing national goals of the system
- **Combat Climate Change:** Empower non-federal partners and the construction industry with the flexibility to best utilize resources – including the Carbon Reduction Program and the PROTECT Program – to address their specific transportation and climate needs while avoiding one-size-fits-all mandates
- **Safety:** Ensure the safety of all users of the system, including the safety of construction workers in work zones, through continued investment in safety-related programs and policies
- **Innovation & Technology:** Foster innovation and deployment of technologies to improve the safety and efficiency of the system and increase project quality and industry productivity, while avoiding prescriptive policies and requirements

Preserve the Highway Trust Fund to Meet Present and Future Transportation Needs

- **Vehicle Miles Traveled (VMT):** Support implementation of a national VMT pilot to test the design, acceptance, implementation, and financial sustainability of such a system that could fund the nation's highways and transit systems in the future
- **Transition to Sustainable Funding Models:** Explore other viable user fees – battery fee, freight shipping fee, national registration fee, and others - that could address the near and long-term solvency of the HTF
- **Electric Vehicles:** Support the implementation of an EV user fee to ensure equitable contributions to the HTF



Provide Regulatory Certainty and Create Jobs

- **Project Delivery:** Decrease the time and costs associated with delivering projects by addressing concerns with the environmental review and permitting process and contract requirements by passing feasible permitting reform and implementing ones already passed by Congress according to the laws' intent
- **Disadvantaged Business Enterprise (DBE) Program Reforms:** Support improvements to the USDOT DBE program by aligning with the Small Business Act definition to grow DBE capacity without allowing any reforms to shrink the number of DBEs in the program
- **Transportation Construction Workforce:** Increase funding for programs that help to address the workforce shortage by attracting, training, and placing workers into careers in construction while avoiding one-size-fits-all labor mandates

Ensure Timely Reauthorization for the Next Surface Transportation Bill

- **Funding Reauthorization:** Support efforts to reauthorize or extend IIJA funding before expiration to avoid project delays

1.2

Expand Incentives to Spur Private Building Construction Markets

- **Historic Tax Credit:** Preserving and expanding Historic Tax Credit, which since 1976 has supported the rehabilitation of more than 49,000 historic buildings and more than 199,000 units of low- and moderate-income housing units by leveraging over \$131.7 billion in estimated investment
- **Low Income Housing Tax Credit:** Providing support for the Low-Income Housing Tax Credit, which has helped finance the construction or rehabilitation of over 3.65 million low- to moderate-income housing units between 1987 and 2022
- **New Markets Tax Credit:** Support the New Markets Tax Credit, which has supported the construction of 76.9 million square feet of manufacturing space, 118.3 million square feet of office space, and 77.1 million square feet of retail space since 2003
- **Foreign Investment in Real Property Tax Act:** Repealing the Foreign Investment in Real Property Tax Act, a decades-old tax provision that artificially limits foreign investment in construction and development
- **Energy Efficiency Deduction:** Support and defend the expanded commercial building energy efficiency deduction (Section 179D) and the ability of non-profit and government entities to allocate the deduction to construction firms
- **Commercial to Residential Conversions:** Support legislation to incentivize commercial to residential conversions, to address rising post-COVID commercial office vacancy rates and high housing costs in many core urban areas



1.3

Support Increased Investment in Public Building Infrastructure

- **Federal Buildings Infrastructure:** Support investing in, maintaining, and modernizing federal buildings, such as military bases, military hospitals, airport buildings, office/administrative buildings, communication facilities, armories, warehouse facilities, parking facilities, veterans' hospitals, federal prisons, federal courthouses, border stations, embassies, and other federal buildings and facilities
- **Civilian BRAC:** Encourage the better utilization of federal government real estate inventory through evaluation of assets, a realigning of personnel and an evaluation of what assets need improvement and what assets need to be repurposed, traded, sold or otherwise discarded to allow for better use through public and private redevelopment
- **Public Housing Infrastructure:** Support investment in multi-family, public housing construction



1.4

Support Increased Investment in Aviation Infrastructure

- **Passenger Facility Charge (PFC):** Support efforts to increase the PFC, an airlines ticket-tax that funds airport terminal, hanger, and other airport construction improvements
- **Airport Improvement Program (AIP):** Support efforts to increase the AIP that funds runway and taxiway construction and rehabilitation, among other airport construction improvements
- **Support and Maintain the 2024 Federal Aviation Administration (FAA) Reauthorization Bill's Funding:** Support efforts to ensure that FAA funding is deployed efficiently, reducing delays in critical airport infrastructure projects
- **Provide Dedicated Funding for Airport Terminals:** Create a permanent, dedicated grant program for airport terminals similar to the Airport Terminals Program in the IIJA





1.5

Support Increased Investment in Water and Utility Infrastructure

- **Water & Wastewater Infrastructure:** Support expansion of funding for federal drinking water and wastewater state revolving funds and provide increased funding through the Water Infrastructure Finance and Innovation Act (WIFIA) Program
- **Broadband Infrastructure:** Increase funding for the expansion of critical broadband infrastructure to provide access to areas with little access and ensure that IJJA-supported broadband projects have broken ground and are proceeding as is written under the law
- **Energy Infrastructure:** Support investment in a diverse and state of the art energy market that is safe, secure, reliable, and affordable that is underpinned by policies positively impacting grid capacity, preventing supply chain disruptions and ensuring power availability
- **Future Utility Infrastructure Funding:** Ensure that any federal funding designated for utility infrastructure projects goes towards utility projects – like wastewater, drinking water, broadband - and is not diverted towards other priorities or non-construction projects

1.6

Support Increased Investment in Water Resources Infrastructure

- **Water Resources Development Act Authorization:** Support long-term investment for water resources navigation, flood control, and environmental restoration
- **Water Resources Investment:** Increase funding for water resources programs of the U.S. Army Corps of Engineers and the Bureau of Reclamation
- **Water Resources Trust Funds:** Ensure that the funds in the Harbor Maintenance Trust Fund and the Inland Waterways Trust Fund become mandatory spending (rather than discretionary spending) and that those funds are fully utilized for water infrastructure and cannot be used for other purposes



Expand Existing Financing Tools and Consider Establishing Additional Tools to Supplement Federal Funding and Help Attract Private Sector Investment in the Nation's Infrastructure

- **Innovative Financing Tools as a Supplement/Complement to Federal Funding:** Although innovative financing tools can play an important role in supporting infrastructure improvements, these tools cannot be mistaken as replacements for federal funding as they: (1) require a source(s) of revenue in order to be paid off and (2) serve only as supplements/complements to that federal funding
- **Private Investment in Water and Transportation Infrastructure:** Increase or eliminate the private activity bond volume caps for water and wastewater infrastructure and transportation infrastructure to attract more private investment
- **Social Infrastructure:** Allow the use of private activity bonds for the construction and modernization of schools, hospitals, public buildings, and other public infrastructure
- **Tax Credits for Energy Construction:** Support tax incentives for businesses to invest in energy construction, like in the Inflation Reduction Act, without labor mandates on private construction companies
- **Additional Financing Sources:**
 - Expand and make permanent the Build America Bonds Program
 - Create a national infrastructure bank or fund capitalized with non-user-fee supplemental revenue to leverage additional private investment in infrastructure
 - Preserve and expand the preferable tax treatment of debt used to finance public infrastructure
 - Support reinstating the tax exemption for advanced refundable municipal bonds, which allow states and local governments to "refinance" municipal debt at a lower interest rate
- **Public Private Partnerships (P3s):**
 - Ensure P3s apportion risk to the entity best able to manage the risk
 - Ensure P3s preserve contracting opportunities for medium and small contractors

Ensure that Federal Environmental Laws and Regulations Improve the Efficiency of Project Delivery, Are Based in Sound Science, Undergo Thorough Cost-Benefit Analysis, and are Transparent in Methods and Goals

- **Advocate for Sensible Climate and Energy Policies**
 - **Construction Industry's Role in Climate Change Policy:** The construction industry is the project delivery system for building a safer, healthier, and environmentally sustainable future; our nation cannot simply wish for a greener future; it must build it; and the construction industry must be an integral part of the policymaking processes to help ensure that construction firms and the construction workforce can continue to grow and prosper
 - **Energy Permitting Process:** Ensure that the permitting and review process for both renewable and traditional energy projects is streamlined and does not end in environmental and legal reviews that delay projects for years
 - **Greenhouse Gases:** Ensure that efforts to reduce greenhouse gas emissions do not jeopardize certain infrastructure projects that facilitate U.S. economic competitiveness, supply chain readiness, and energy security
 - **Infrastructure Resilience:** Support a national strategy to invest in physical infrastructure that will make our communities more resilient to disasters while providing flexibility for regional, local, and project-based concerns
 - **Buy Clean Programs and Environmental Product Declarations (EPDs):**
 - Support adequate transition time to allow the supply chain to adopt embodied carbon initiatives;
 - Support an efficient, transparent, and sensible waiver processes for unavailable or significantly delayed construction materials required by embodied carbon initiatives;
 - Support development of EPDs that utilizes existing private sector innovation in the field, and both includes and reflects industry input; and
 - Support market-based incentives for low-embodied carbon materials markets while ensuring the materials' performance
 - **Carbon Reporting within the Construction Supply Chain:** Ensure that supply chain (or "Scope 3") emissions reporting is optional, not mandatory
 - **Modernizing Equipment:** Support tax incentives for investments to modernize existing construction equipment, including but not limited to the funding of Diesel Emissions Reduction Act grants, and for purchasing new equipment, while allowing for the use of existing equipment during its expected term of service

- **Advocate for Sensible Water Policies**
 - **Wetlands and Other Clean Water Act Permits:** Support efforts to limit federal jurisdiction to the intent of the Clean Water Act and provide clear guidelines as to what types of waters require permits
 - **Numeric Limits:** Oppose effluent (discharge) standards that contain strict numeric limits on sediment runoff during construction and post-construction
 - **Water Flow Regulation:** Oppose efforts to regulate (under the Clean Water Act NPDES Permitting Program) stormwater flow as a pollutant, impervious surfaces as point sources during construction and post-construction, or point source discharges to groundwater
- **Advocate for Policies that Protect Innocent Contractors**
 - **Hazardous Materials:** Ensure that rules for hazardous substances make sense for the construction industry, which includes, for example, opposing unfounded efforts to treat discarded polyvinyl chloride (PVC) as a hazardous waste
 - **PFAS and Other Emerging Chemicals of Concern:** Support provisions that protect contractors who may have interacted with any of the growing number of products with an emerging chemical of concern—such as per- and polyfluoroalkyl substances (PFAS)—on projects during demolition, earthmoving or dewatering activities that could be at risk for liability
 - **Good Samaritan:** Support protections and civil immunity for construction companies who work in emergency response activities
- **Advocate for Sensible Species Policies**
 - **Endangered Species Protection:** Support common sense reforms to the Endangered Species Act to protect both species and private property rights
 - **Migratory Bird Treaty Act:** Clarify that the MBTA does not prohibit incidental taking of protected birds; ensure any future permitting program does not add unnecessary barriers to development
- **Additional Areas of Environmental Advocacy**
 - **Air Quality Controls:** National ambient air quality standards should be scientifically based, attainable, and economically feasible
 - **Lead Paint:** Oppose EPA efforts to expand lead-based paint regulation to areas beyond what is currently regulated
 - **Environmental Mitigation:** Ensure that as many mitigation options as possible are available to the contractor, and that mitigation is not a barrier to construction
 - **Citizen Suits:** Federal rules and regulations are complex and cumbersome and should only be enforced by trained staff of government agencies



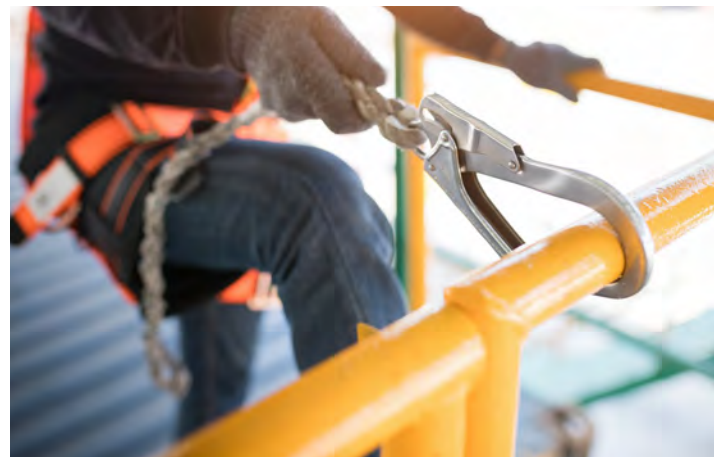
02

Improve the Pipeline for a Safe, Trained, and Diverse Construction Workforce

2.1

Ensure Federal Legislation and Regulations Improve Workplace Safety and Health

- **Ensure Drug-Free Workplaces**
 - **Drug-Testing:** Support efforts to protect employers' right to maintain drug-free workplaces and the development of an evidence-based standard for detecting marijuana impairment
 - **Impairment Awareness:** Provide resources and training to help employers recognize impairment
 - **Overdose Reversal Agents:** Provide guidance and protections for employers on using opioid overdose reversal agents
- **Advocate for Reasonableness in Occupational Safety & Health (OSHA) Standards**
 - **Heat Stress:** Oppose a one-size-fits-all national heat standard and support proven best practices—not mandates—to address heat injuries and illnesses
 - **Infectious Disease:** Any infectious disease standard must address the various risk levels given the unique nature of the work performed and exposure potential in each industry sector regulated under the scope of the standard
 - **Silica:** Expand silica-generating tasks with specific engineering controls and respirator requirements identified in Table One to provide more clarity for contractor compliance
 - **Ergonomics:** Oppose attempts to impose ergonomics/musculoskeletal disorder regulations on the construction industry training programs
 - **OSHA Severe Violator Enforcement Program (SVEP):** Oppose expanded criteria for inclusion on the agency's SVEP log and follow up procedures for the construction industry





- **Advocate for Reasonableness in OSHA Policies and Programs**
 - **Cooperative Programs:** Ensure OSHA cooperative programs continue to promote worksite safety and health, and support collaborative relationships between contractors and regulators
 - **Employee Incentive and Involvement Programs:** Support improved safety and efficiency through the use of employee incentive and involvement programs
 - **Multi-Employer Policy:** Oppose efforts to increase multi-employer liability
 - **Recordkeeping:** Oppose efforts to increase the complexity of federal recordkeeping requirements
 - **Susan Harwood Grants:** Support Susan Harwood Training Grant Program funding and appropriate congressional oversight of the program
 - **OSHA Outreach Training Programs:** Encourage OSHA to better prioritize mental health and suicide prevention in the construction industry by, for example, incorporating training modules on this topic in future OSHA 10-hour/or 30-hour training programs
 - **OSHA Severe Violator Enforcement Program (SVEP):** Oppose expanded criteria for inclusion on the agency's SVEP log and follow up procedures for the construction industry
- **Bring Industry-Specific Knowledge to Safety and Health Policymaking**
 - **Work Zone Safety:** Advocate for policies that protect construction workers in highway work zones
 - **Underground Infrastructure Safety:** Ensure that underground facility safety and damage prevention is a shared responsibility of utility owners, locators, and contractors
 - **One-Call Membership:** Ensure that all underground facility owners/operators become members of one-call systems and mark their lines when requested

2.2

Support Increased Training Investment, Opportunities and the Promotion of Construction Industry Careers to Avoid Skilled Worker Shortages

- **Increased Public Investment in Workforce Development**
 - **Career and Technical Education (CTE):** Prepare the next generation of skilled and diverse construction professionals by doubling federal investment for Perkins CTE programs
 - **Pell Grants:** Extend federal Pell grant eligibility to short-term workforce-oriented postsecondary programs courses and programs that focus on key skills
 - **Workforce Innovation & Opportunity Act:** Increase training investments through the federal Workforce Innovation Opportunity Act programs
- **Support Programs that Work**
 - **Data Collection:** Improve data collection and transparency of education programs to allow for meaningful comparison of non-credit training
 - **Pre-Apprenticeships:** Support minimum standards and increased funding for pre-apprenticeship programs that receive public funds to foster diversity and inclusion—e.g., programs that offer training for non-English speaking populations—and prepare individuals to enter the construction workforce
 - **Apprenticeships:** Support increased access, removal of barriers to and funding for apprenticeship programs without regard to union affiliation while opposing new federal apprenticeship utilization requirements
 - **Employer-Centered Partnerships:** Support employer provided training with direct grants, encourage public-private partnerships, educator, and sector partnerships



- **Promote Construction Industry Careers**
 - **Veterans:** Connect transitioning service members to construction industry jobs
 - **Diversity:** Support policies that prepare individuals from diverse demographic backgrounds, such as people of color, LGBTQ+ individuals, and women, for a career in construction
 - **Construction as a Career:** Support policies that prepare individuals seeking new career paths, such as the unemployed, underemployed, and ex-offenders, for a career in construction
 - Promote the Construction Industry's Proactive Inclusion Efforts and Address Impediments to Retaining and Hiring a Trained and Diverse Workforce
- **Promote the Construction Industry's Proactive Inclusion Efforts**
 - **Culture of CARE:** Educate the policymakers on the proactive ways the construction industry is working to create a more diverse and inclusive construction workforce, like the Culture of CARE
- **Address Impediments to Retaining and Hiring Workers**
 - **Paid Leave:** Advocate for flexibility in paid leave incentives that recognize the unique nature of the construction industry and its workforce design that make a career in construction more accessible





2.3

Expand and Codify Work Authorization Programs Available to the Construction Industry, Improve Border Security, and Provide Earned Path to Legal Status for Undocumented Workers to Boost Economic Development and Address Workforce Shortages

- **Secure the Border:** Support stronger border protection with increased resources for physical and technological improvements while protecting contractors improving physical security projects from discrimination by state or local officials
- **Fix the Immigration System:** Support efforts to establish a clear path to legal status for undocumented individuals that meet strict criteria
- **Low-Skilled Worker Visas:** Create a new visa program to legally alleviate employer-identified worker shortages and secure the border
- **Temporary Immigration Status:** Extend or make permanent work authorizations for Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS) status holders
- **Seasonal/Temporary Visas:** Exempt returning workers from the annual H-2B visa cap, expand eligibility to meet current and future workforce needs, and provide regulatory relief from rules that detract from the program's goals
- **Employer Liability:** Support penalties that are commensurate with violations, retention of the "knowing standard" for employment of unauthorized workers, and federal preemption over state immigration laws, and oppose vicarious liability for subcontractors hiring practices



Advocate for Flexibilities to Address Impediments to Workforce Management

- **Employee Misclassification:** Oppose unnecessary administrative burdens and recordkeeping requirements for employers, protect legitimate independent contractor relationships, and provide a clear safe harbor for employers to meet the varying and overlapping standards that currently exist
- **Independent Contractor:** Support a consistent, clear, and common-sense standard for determining independent contractor status using an “economic reality test” in determining whether a worker is in business for himself or herself
- **Joint Employer:** Ensure definition of joint employer status is limited to those that exercise direct control over employees’ essential terms and conditions of employment
- **Overtime:** Ensure any recalibration of the overtime threshold aligns with market data and is based on a simple salary-based exemption
- **Davis-Bacon:** Reverse administrative overreach by eliminating provisions in the Department of Labor’s final rule that unlawfully expand Davis-Bacon Act coverage to: truck drivers spending any “non-de minimis” time onsite, without a clear definition of “de minimis;” materials suppliers associated with contractors, by narrowing the materials supply exemption; and project contracts lacking explicit Davis-Bacon terms, imposing these by operation of law

2.5

Improve Employer-Sponsored Health Care Affordability and Quality

- **Improve the Affordability and Quality of Employer-Sponsored Health Care to Benefit Employees**
 - **Health Care Costs:** Support reforms to reduce coverage costs and reduce administrative complexity
 - **ERISA Uniformity:** Ensure ERISA uniformity to maintain common benefit coverage, to avoid a patchwork of laws nationwide
 - **Health Insurance Tax Exclusion:** Maintain the tax exclusion from income for employer-sponsored health care coverage to raise federal revenue.
 - **Mental Health:** Acknowledge the mental health and substance abuse challenges present in the construction workforce and support reasonable policies that seek to address those issues





2.6

Provide Multiemployer Pension Plans with the Tools Necessary to Protect the Benefits of their Current and Future Participants

- **Multiemployer Pension Plan Design:** Modernize the multiemployer system by authorizing composite plans
- **Multiemployer Pension Plan Reform:** Provide multiemployer pension plans with the tools necessary to protect the benefits of their participants and employer contributors
- **PBGC Premiums:** Oppose unreasonable Pension Benefit Guarantee Corporation (PBGC) premium increases that would exacerbate the decline of troubled plans
- **Funding Rules:** Avoid misguided funding requirements which could destabilize plans
- **Special Financial Assistance:** Ensure and protect the previously provided benefits to failing plans to ensure that participants continue to receive benefits and that employers are not financially burdened
- **Multiple Employer Retirement Plans:** Encourage the formation of small business retirement plans to expand coverage options and limit costs
- **Retirement Participation:** Encourage and incentivize voluntary participation in retirement programs



03

Preserve the Delicate Balance in Federal Labor Policy that Permits Employees to Freely Choose to Engage in Collective Bargaining and that Allows Employers to Maintain Operations Free of Unwarranted Disruptions

3.1

Oppose the Protecting the Right to Organize (PRO) Act

- **The PRO Act:** Oppose disruptive economic changes to labor laws, including but not limited to the PRO Act or its various provisions
-

3.2

Maintain Employees' Well-Established Right to a Secret Ballot Election Free of Employer or Union Intimidation

- **Card Check:** Protect employees' well-established right to a secret ballot election free of employer or union intimidation from initiatives such as "Card Check"
 - **Advice Exemption:** Maintain an employer's ability to seek legal advice during union organizing campaigns and collective bargaining
 - **Quickie Elections:** Support timeframes in union representation elections that grant employers due process and adequate time to prepare
-

2.3

Oppose Disruptive, Unlawful Protests against an Employer, Like Secondary Boycotts/Picketing and Intermittent Strikes

- **Secondary Boycotts and Picketing:** Oppose disruptive protests against an employer that is not directly involved in a labor dispute
- **Intermittent Strikes:** Opposes intermittent strikes and slowdowns that disrupt workplaces





04

Advance Policies that Mitigate Supply Chain Challenges and Address Cost Increases and Project Delays

4.1

Press for Policies that Help Contractors with Unforeseeable Construction Supplies and Materials Price Increases and Shortages

- **Price Adjustment**
 - Advocate for policies providing for better risk allotment among owners and contractors' coverage of unforeseeable price increases or shortages of construction supplies and materials
 - Support efforts to ensure that price increases on construction materials and supplies caused by tariffs are covered by public and private owners
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4.2

Support Implementation of Domestic Manufacturing Requirements that Sensibly Balances the Need to Strengthen America's Manufacturing Capacity with the Need to Deliver Construction Projects in a Safe, Efficient, and Timely Manner

- **Build America, Buy America Act, Buy America and Buy American:**
 - Support sensible ways to implement domestic manufacturing requirements by providing a sufficient transition period for any changes to:
 - Ensure domestic manufacturing capacity can meet demand; allow government agencies and industry stakeholders to educate/train their employees on how to comply; and avoid unnecessary project disruptions, delays, and cost increases
 - Support transparent, accountable, and efficient waiver processes when items are not domestically produced in sufficient quantities to ensure that construction projects can move forward





05

**Ensure that
Tax and Fiscal
Policies Promote
Entrepreneurialism
and Long-Term
Economic Growth**

5.1

Protect Tax Relief for Construction Firms

- **Tax Cuts and Jobs Act (TCJA) of 2017:**
 - **Pass-Through Construction Firms:** Prevent tax increases on pass-through (e.g., S-corps, LLCs, partnerships, etc.) construction firms by opposing efforts to roll back tax relief provisions of the TCJA that:
 - Lowered individual tax rates, including the top rate from 39.6 percent to 37 percent
 - Increased the Alternative Minimum Tax (AMT) exemption
 - Established the 20 percent Qualified Business Income deduction (Section 199A)
 - **Support legislation to make temporary TCJA tax relief permanent:** Absent Congressional action, construction firms organized as pass-through entities will face a 20 percent tax increase in 2025 when these provisions expire
 - **C-Corporation Construction Firms:** Prevent tax increases on C-corp construction firms by opposing efforts to roll back tax relief provisions of the TCJA that:
 - Lowered corporate rates from 35 percent to 21 percent
 - Repealed the corporate AMT
 - **Net Operating Loss Carryback:** Oppose efforts to further extend the "excess loss limitation" rule (Section 461(l)) which limits the ability of businesses in cyclical industries-such as construction-to weather economic downturns
 - **IRS Audits**
 - Ensure that the IRS does not unfairly target construction firms for audits and prioritizes taxpayer service and systems modernizations with appropriated funds
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5.2

Empower Construction Firms to Start, Develop, and Grow for Generations to Come

- **The Estate Tax:**
 - Make permanent the increased \$11 million exemption, and ultimately repeal the Estate Tax
 - Oppose efforts to tax capital gains at death and/or repeal stepped up basis

- **Alternative Minimum Tax:** Repeal the Alternative Minimum Tax (AMT) for individuals to simplify tax preparation and planning and provide needed capital for businesses to grow and invest
- **Capital Gains (CG) Taxes:** Oppose efforts to increase CG taxes, or treat CG income as “ordinary income,” or apply payroll taxes to CG income
- **Net Investment Income Tax (NIIT):** Oppose expansion of the Net Investment Income Tax to the incomes of owners who actively participate in their business
- **Labor Mandates:** Oppose expansion of labor mandates/standards, such as paying prevailing wages or utilizing registered apprentices, or utilizing project labor agreements to construction projects associated with tax incentives

5.3

Support Tax Policies that Make Sense for the Unique Ways the Construction Industry Works

- **Tax Simplification: Simplify tax reporting and filing for construction firms by:**
 - Raising the “small contractor exemption” from mandated use of the percentage of completion method of accounting
 - Exempting percentage-of-completion method of accounting from AMT calculations
 - Eliminating the burdensome lookback accounting requirement for long-term contracts
 - Increasing the reporting threshold for issuing tax reporting information for independent contractors from \$600 to \$1,000
 - Allowing more small contractors to use the cash method of accounting, which easier for small contractors to manage
- **Like-Kind Exchanges:** Allow like-kind exchanges of tangible personal property, like construction equipment
- **Per Diem Allowances:** Allow the full deductibility of per diem allowances in construction
- **Taxation of Income While in Dispute:** Stop taxation of income while in dispute
- **Work Opportunity Tax Credit:** Extend, expand, and make permanent the WOTC to provide additional opportunities for individuals from certain groups who have consistently faced barriers to employment



06

Streamline the Federal Procurement Process to Save Money, Increase Competition, and Improve Small Business Opportunities

6.1

Support Sensible Pre-Contract Award Federal Procurement Reform Initiatives

- **Government-Mandated Project Labor Agreements:** Oppose the imposition of project labor agreements by public owners
 - **Contractor Blacklisting:**
 - Oppose initiatives putting forth subjective, pre-bid reviews of contractors without regard to due process
 - Oppose state and local government efforts to blacklist or discriminate against contractors lawfully performing work for the federal government
 - **Local Hire:** Oppose mandatory local hire programs
 - **Bid-Listing:** Oppose efforts to require subcontractor bid-listing
 - **Greenhouse Gas Reporting:** Oppose efforts to require unfeasible GHG emissions reporting
 - **Reverse Auctions:** Expand restrictions on the use of reverse auctions to procure construction services
 - **Politicization of Federal Procurement:** Oppose efforts to politicize the procurement process, including any analysis of contractor political contributions as a condition of submitting bids
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6.2

Support Sensible Post-Contract Federal Procurement Reform Initiatives

- **Change Orders:** Support improved oversight and accountability for timely execution of and payment for change orders
- **Past Performance Evaluations:** Ensure past performance evaluations are implemented, conducted fairly, consistently, and filed in a timely manner

6.3

Mitigate Against Unreasonable or Unfair Construction Contractor Legal Risks

- **False Claims Act:** Oppose expansion of the universe of claims that may be considered under the False Claims Act
 - **Statute of Repose:** Support a statute of repose for federal construction
 - **Miller Act:** Preserve the intent of the Miller Act, which governs federal surety bonding
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6.4

Ensure Fair Small Business Opportunities for Participation in Federal Contracting, and Advocate for Inclusive Small Business Contracting Reforms

- **Contract Bundling:** Allow review of construction contracts to eliminate inappropriate and improper reliance on contract bundling
- **Small Business Participation:** Finalize the Federal Acquisition Regulation rulemaking allowing prime contractors to count all small business subcontractors towards small business subcontractor goals so federal contracting officers can implement this reform
- **Small Business Participation Plans:** Support efforts to provide flexibility concerning small business participation plans, which are required with bids at a time when project scope is unknown
- **Small Business Procurement Opportunities:** Support federal agency efforts to meet market supported small business goals including: Small Business, Small Disadvantaged Business, Disadvantaged Business Enterprise, Service-Disabled Veteran-Owned Small Business, 8(a), HUBZone, and Women-Owned Small Business



07

**Support Regulations,
Policies, Guidance
and Executive Orders
that Are Necessary,
Cost-Effective, and
Practical**

Ensure Federal Regulators Understand their Impact on the Construction Industry and Avoid Issuing Unreasonable Regulations

- **Account for the Uniqueness of the Construction Industry:** Ensure that federal agencies take into account and address regulatory impacts upon the construction industry through association comments, conferences, and meetings
- **Undertake Fact-Based Rulemaking:** Ensure that regulations undergo thorough economic analysis based in sound science and/or substantial empirical data and are transparent in methods and goals
- **Streamline Pre-Construction Regulatory Processes:** Speed up and/or limit time for pre-construction reviews, studies, reports, and permits
 - **Advocate Against Unreasonable Rules** - Oppose unfounded, unnecessary, unlawful, and/or unworkable executive orders and regulations. Examples include, but are not limited to:
 - Government-mandated project labor agreements executive order, NLRB regulations tipping the scales in favor of union organizers, and EPA regulations instituting a tax on carbon and expanding federal jurisdiction over water
- **Public Construction Site Data:** Oppose the public sharing of construction site-specific compliance data and ensure that where such data is made public it is properly contextualized so that it cannot be misrepresented or misconstrued
- **Cybersecurity Mandates:** Advocate for reasonable flexibility in and sufficiently phased implementation of cybersecurity mandates to ensure that the construction industry can effectively, fairly, and comprehensively protect public and private owners' sensitive information to advance national security, proprietary confidentiality, and personal privacy.
- **Protect Open Communication Between Government Owner and Contractors:** Ensure that government owners and contractors maintain open dialogue to advance improved project development, solicitation, and delivery
- **Partnering:** Support efforts to improve partnering between federal agencies and industry, including formal partnering initiatives.
- **Support Needed Reforms to the Process:** Support common-sense regulatory reforms that help prevent the president and federal agencies from overburdening contractors and taking unreasonable unilateral actions. Examples include, but are not limited to:
 - Requiring Congress to vote on and approve major regulations before they become law;
 - Requiring agency guidance, policy, and enforcement statements to undergo notice and comment rulemaking procedures; and
 - Strengthening existing regulatory checks like the Small Business Regulatory Enforcement Fairness Act and Congressional Review Act

7.2

Support Efforts to Ensure that Agency Enforcement Actions Preserve Contractor Due Process, Allow a Right to Cure, and Provide for Alternative Dispute Resolution Methods

- **Preserve Due Process:** Any enforcement actions must preserve contractor due process rights, consider mitigating factors, and preserve judicial review of any decision to suspend or debar a contractor
 - **Right to Cure:** Promote 'Right to Cure' for regulatory violations prior to contractors facing monetary fines
 - **Alternative Dispute Resolution Methods:** Support mediation, arbitration, and dispute resolution boards to resolve factual contract disputes
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7.3

Support Efforts to Protect Contractor Involvement in the Political Process by Repealing the Prior Approval Regulatory Requirement for Political Action Committee Contributions

- **Repeal Prior Approval:** Support efforts to repeal the requirement for a construction firm with membership in multiple trade associations to grant only one trade association prior approval to ask for contributions to its PAC, which violates a construction firm's right to free speech under the First Amendment



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