

TO: NAW Direct Members

FR: NAW Government Relations Team

**RE: NAW COVID/Government Relations Update Number 2021-11 – April 29 at 2:30 PM**

*To receive the latest GR news, follow NAW on twitter [@NAWorg](#) or on our LinkedIn page [HERE](#). [Sign up for free](#) for NAW SmartBrief, your daily resource for wholesale distribution industry insights, trends and news.*

## **1. President Biden's New \$1.8 Trillion American Family Plan**

Today marks President Biden's 100<sup>th</sup> day in office. Speaking to a joint session of Congress last night, President Biden unveiled his new \$1.8 trillion American Family Plan. Combined with his \$1.9 trillion American Rescue Plan, already signed into law, and his \$2.5 trillion American Jobs Plan, currently being negotiated, it brings the total of proposed new spending to \$6.1 trillion in just 100 days.

Ahead of President Biden's speech last night, NAW released a statement regarding President Biden's unprecedented \$6 trillion in new government spending proposals that will kill more American jobs and businesses. To read the full statement from Eric Hoplin, NAW President and CEO, click [HERE](#).

As you have most likely read, the proposed American Families Plan includes funds for childcare, paid family and medical leave, universal pre-kindergarten schooling, tuition-free community college and nutritional assistance paired with a four-year extension of the expanded child tax credit enacted in the March Covid-relief bill. President Biden's new plan would be paid for by increasing taxes on both income and capital gains and by increased enforcement of current tax law.

The proposal would also significantly change inheritance tax law. Most of the reporting on the proposal notes that, in addition to raising the top capital gains tax rate to 39.6%, the plan would eliminate stepped-up basis on inherited assets of estates over \$1 million to ensure that capital gains taxes are based on the decedent's cost basis in the asset.

Under current law, capital gains taxes on inherited asset are paid only when the heirs sell the assets. Significantly, and most often NOT included in the reporting on the Biden plan, is that it would require that the estate pay the capital gains taxes at death,

effectively deeming the assets to be sold. There are also at least two proposals in Congress that would similarly amend estate tax law to require the payment of taxes on built-up gains without the sale of the assets.

Obviously, the taxing of capital gains at death would negatively impact the ability of a business or farm owner to pass that business or farm to heirs. The Biden plan acknowledges that reality and says it will offer “protections” to privately-owned businesses so their heirs can inherit the business, but the plan offers no details or specifics on what those protections would be.

If you are interested in more information on the capital gains tax at death issue, the Congressional Research Service has prepared a good analysis which you can read [HERE](#).

Another key component of the Biden tax plan is its emphasis on tax enforcement to increase the collection of owed-but-unpaid taxes. They would accomplish this in part by a massive increase in the IRS budget to allow significantly more audits of upper income earners. Another part of the proposal would require banks to provide information to the IRS on the financial transactions of account holders, both business and individual. The Administration has provided no additional information or details on this particular proposal, so it is not yet known what type or size transactions the banks would be required to report to the IRS.

We will of course be closely watching as Congress begins writing the legislation that will provide specifics and details on the many as-yet-unspecified parts of the Biden proposal.

- To read the White House Fact Sheet on the American Family Plan, click [HERE](#).
- *Bloomberg* has prepared a summary of the American Family Plan which you can read [HERE](#).

## **2. Latest on the Other Issues Impacting NAW Members**

### **OSHA Prepares to Issue COVID-19 Emergency Regulations:**

On Tuesday, the Department of Labor sent a draft OSHA Covid-19 Emergency Temporary Standard (ETS) to the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA). This is the first step in issuing an ETS. It is anticipated that the OIRA review will move quickly but it is likely to take a minimum of

two weeks. As you may remember, shortly after taking office President Biden issued an executive order directing the Department of Labor (DOL) to decide whether to issue a Covid-19 emergency workplace rule by March 15<sup>th</sup>.

Although neither OIRA nor DOL has made the contents of the ETS public, the Coalition for Workforce Safety (CWS) – of which NAW is a member – will be meeting with ORIA to provide a stakeholder perspective and present general concerns about the ETS. As you may remember, NAW was a signatory on a letter regarding an ETS last year. You can view the letter [HERE](#). As more information becomes available, NAW will continue to update you on this issue.

Also of note, several management law firms are closely following this issue, and there is a high likelihood that litigation will be filed to challenge an aggressive ETS. NAW and other trade associations could well be participants in a court challenge if one is initiated.

### **Biden Administration Orders \$15 Minimum Wage for Federal Contractors:**

This week, President Biden signed an Executive Order (EO) requiring federal contractors performing service, construction, or concession contracts to pay a \$15 minimum wage to those employees who are working on those contracts.

Beginning January 30, 2022, all federal agencies will need to ensure that the \$15-per-hour minimum wage is included in any new covered contract solicitations, and by March 30, 2022, all agencies will need to implement the minimum wage in new covered contracts. Additionally, contracting officers must implement the higher wage in existing covered contracts when exercising options and extensions.

To read the White House fact sheet, click [HERE](#).

To read an in-depth report on the EO provided by the *McGuireWoods* firm, click [HERE](#).

### **3. Latest on the Vaccine Distribution**

NAW is actively involved in the vaccine distribution issue, working with member companies in a joint effort to get the government to involve the entire wholesale distribution industry in the vaccine distribution effort.

### **State and Local Vaccine Distribution Tracker by *Little Law Firm*:**

As with nearly everything about this pandemic, guidance and action plans vary by state and local jurisdictions and are constantly evolving. To that end, *Little Law Firm* provides links to state agency websites, vaccine allocation plans, and other guidance related to the rollout of COVID-19 vaccines, as well as basic vaccination plan phases. To see the latest updates, click [HERE](#).

#### **Additional Vaccine Distribution Resources:**

We included additional information and resources on vaccine distribution in an earlier update, which you can access [HERE](#).

#### **4. Latest on the Economic Recovery and Re-Opening the Workplace**

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars, and seminars that you may find useful:

##### **Webinar from *Little Law Firm*:**

President Biden's First 100 Days in Office  
Thursday, May 6, 2021 | 10:00 am-10:45 am PDT

With the inauguration of President Joe Biden as our nation's 46th president, together with Democratic-controlled houses of Congress, this presentation will discuss expected and potential reforms and how the first 100 days are playing out under the Biden administration.

Topics covered include:

- COVID-19 relief package
- Executive order action
- Personnel/nominations
- Impact on labor agencies (DOL, NLRB, EEOC)
- What administration workforce priorities and initiatives can employers expect in the coming year

To register, click [HERE](#).

**Stateside Associates** publishes a daily report about State and Local Government responses to the evolving situation. To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**. To view their spreadsheet, click [HERE](#).

[Click here](#) for links to **UPDATES** sent previously.

Many thanks—

*Jade West, Chief Government Relations Officer  
Blake Adami, Vice President-Government Relations  
Seth Waugh, Associate Vice President-Government Relations  
National Association of Wholesaler-Distributors*

## **Adding Value in a Post-Pandemic World: New Leadership Strategies for Distributors**

[A 2021 Series of 7 FREE Research Reports + 7 FREE Webinars](#)

Arm yourself with new ways of thinking and information from the front lines to help you build robust strategies with staying power!

## **NAW Virtual Distribution Leadership Program, June 7-18, 2021**

Creating Smarter Business Leaders in Distribution!

[Register Your Team](#)

*The above information and links to other information has been prepared by NAW for the general information of NAW members. It is not intended to, and does not, provide tax, legal or professional advice concerning any specific matter. You should not act on the information without first obtaining professional advice and counsel.*