



Legislative Update October 26, 2020



Goals For Stimulus, Appropriations, And WOTC After Election

The House is in recess with members campaigning for election, and Senate is scheduled to depart this evening following the vote on Amy Coney Barrett as the next Justice of the Supreme Court.

With GOP control of the Senate hanging on the loss of four seats, electioneering has greater priority for Republicans than remaining to debate a \$1.9 trillion stimulus bill.

Moreover, on Wednesday GOP senators emphatically voiced their preference for a \$650 billion narrow stimulus bill (\$500 billion in new money plus \$150 billion in unused PPP loan authority.)

Fifty-one Republicans voted to take up the narrow stimulus bill (S.178 with Senate Amendt. 2652) but were foiled by Democrats. The vote was 51-44, nine votes short of 60 required to consider the bill. Senator McConnell can call up the bill again, however.

Had Speaker Pelosi and Secretary Mnuchin reached agreement sooner, it might have been possible to resolve GOP senators' opposition to a larger stimulus. But this late, it's hardly possible to fix the problem in the last week before elections.

Election day will produce a new constellation of power in the Congress and change the calculations of the participants. This will impact three major tasks Congress cannot avoid after the election—a stimulus bill, appropriations to fund the government, and extension of the work opportunity tax credit, VOW to Hire Heroes Act hiring credits, and other tax code provisions expiring December 31.

Expect stimulus to be top priority in November as COVID-19 infections develop, vaccine prospects emerge, and Federal Reserve governors renew their frequent warnings of recession risk.

Continuing appropriations to fund the government expire December 11. If the current "lame duck" Congress hasn't agreed an omnibus appropriations bill by that date, to avoid a government shutdown it can enact a further continuing resolution till January or later.

The new 117th Congress begins January 3. President Trump continues in office till January 20, when either he or his successor is sworn.

The House of Representatives has sole power to originate revenue measures. If Democrats win the presidency or gain seats in the new Congress, they may opt for another continuing resolution till next year to have a stronger voice in writing the omnibus for remainder of FY 2021.

The election day is a week from tomorrow. If you have not voted yet – go vote!

