

LEGISLATIVE UPDATE

May 5, 2025

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Government Affairs Update

The House is still moving forward with its reconciliation package, though progress has noticeably slowed.

Much of this week's activity is expected to happen in private, after a week where some committees made headway in lower-stakes areas. Transportation, financial services, and oversight panels managed to push through spending cuts, while defense and homeland security panels focused on allocating more money. But the biggest hurdles remain.

The most difficult work lies ahead for the Energy and Commerce and Agriculture Committees, which are responsible for the lion's share of the GOP's planned spending reductions—over \$1 trillion combined. These cuts are proving politically tricky, especially for programs that directly impact vulnerable populations.

Energy and Commerce, for example, has been tasked with finding \$880 billion in cuts, much of it expected to come from Medicaid. This has raised red flags among moderate Republicans, many of whom are reluctant to touch the program that provides healthcare for millions of low-income Americans. The committee was originally scheduled to begin marking up its bill this week but has pushed that process to next week.

Agriculture is in a similar bind. It needs to trim \$230 billion, primarily from a food assistance program that serves low-income families. That committee has also delayed markup discussions until next week.

The Ways and Means Committee—responsible for tax policy—will be the last to act. Their work is delayed too, in part due to pressure from moderate Republicans in states like New York, New Jersey, and California who want to see the cap on the state and local tax (SALT) deduction lifted. This may be their only opportunity to do so.

The committee is also expected to take up changes to clean energy tax

incentives from the Inflation Reduction Act. While some Republicans want to scrap these credits entirely, projects in GOP districts may force a more measured approach.

None of these discussions include the Senate, which avoided Medicaid cuts in its own version of the budget. Many House moderates worry that any tough votes they take now could be undone by the upper chamber, making them politically costly for little gain.

These delays threaten Speaker Mike Johnson's timeline of passing a GOP-only reconciliation bill by Memorial Day. For that to happen, the remaining committees need to move fast, send their work to the Budget Committee, and prepare it for a vote on the House floor the following week.

The margin for error is slim. With full attendance, House Republicans can only afford to lose three votes. That's a challenge in a conference where divisions—especially over cutting social programs—are never far from the surface. While Trump's influence has helped paper over some of these rifts, they may resurface as the vote nears.

Meanwhile, the White House released its budget proposal last Friday. Though mostly a messaging document, it offers insight into the administration's priorities—many of which don't align with Democrats, let alone Republicans.

The proposal would slash \$163 billion in non-defense discretionary spending, with cuts to programs that support low-income heating, healthcare, climate initiatives, and international aid.

The good news: this opens the door for Congress to begin formal appropriations work for the fiscal year starting October 1.

The bad news: the White House proposal is likely to spark fierce opposition on Capitol Hill, possibly setting the stage for another government funding showdown.

On the legislative front, the House is expected to vote on a bill to rename the Gulf of Mexico as the Gulf of America and move to make sanctions on Iran permanent.

The Senate will begin voting on nominations, starting with the President's pick for Social Security Administrator, Frank Bisignano. He faces opposition from several Democrats.

The Senate may also consider a resolution aimed at overturning new tire emissions standards issued by the Biden administration via the Congressional Review Act.

IRS Highlights Key Forms, Topics for Tax-Exempt Organizations Ahead of May 15 Filing Deadline

As the May 15 filing deadline approaches for tax-exempt organizations, the Internal Revenue Service highlights important forms and topics to ensure successful and timely filing.

The annual filing due date for certain returns filed by tax-exempt organizations is the 15th day of the 5th month after the end of an organization's accounting period.

Those operating on a calendar year basis must file a return by May 15. Returns due include:

- Form 990-series annual information returns (Forms 990, 990-EZ, 990-PF)
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-T, Exempt Organization Business Income Tax Return (other than certain trusts)
- Form 4720, Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code

Electronic filing

Electronic filing ensures acknowledgement that the IRS has received the return and reduces processing time, making it easy to comply with reporting requirements. Organizations should remember the following when e-filing:

- Organizations filing a Form 990, 990-EZ, 990-PF or 990-T for calendar year 2023 must file their returns electronically.
- Private foundations filing a Form 4720 for calendar year 2023 must file the form electronically.
- Charities and other tax-exempt organizations can file these forms electronically through an IRS authorized e-file provider.
- Organizations eligible to submit a Form 990-N must do so electronically and can submit it through Form 990-N (e-Postcard) on IRS.gov.

Common errors

The IRS encourages organizations to thoroughly review their forms to avoid common errors such as missing or incomplete schedules. If an organization's return is incomplete or is the wrong return for the organization, the return will be rejected.

Extension requests

Tax-exempt organizations may request a six-month automatic extension by filing a [Form 8868, Application for Extension of Time to File an Exempt Organization Return PDF](#). In situations where tax is due, extending the time for filing a return does not extend the time for paying tax.

Online workshops

The IRS provides [online workshops](#) to help tax-exempt organizations comply with filing requirements. These workshops are designed to help organizational leadership understand the benefits, limitations and expectations of exempt organizations.

QR Code Available for TIA "Right to Repair - Report Your Issue Webpage

The Tire Industry Association (TIA) is excited to announce that its ["Right to Repair - Report Your Issue" webpage](#) is now even easier to access with a new QR code, conveniently available for scanning in the shop.

This tool empowers shop owners and technicians to report instances where they face barriers to diagnosing or repairing vehicles, providing critical data to help protect the right to repair for all.

With reports increasing of automakers restricting access to both wired (OBD-II) and wireless (telematics) diagnostic and repair information, TIA aims to document the real-world impacts of these restrictions on businesses, consumers, and the broader economy.

Why the Right-to-Repair Form Matters

The form gathers key information about repair challenges, including:

- **Vehicle specifics:** Make, model, and year.
- **Maintenance attempt details:** The type of repair being performed and whether diagnostic codes were accessible.
- **Barriers encountered:** Lack of proper tools, unavailable OEM documentation, refusal to sell parts, or required software updates.
- **Current vehicle status:** Whether the repair was completed or the vehicle remains inoperable.

TIA assures users that all submissions will remain confidential, and no identifying personal or business information will be disclosed when case studies are presented on Capitol Hill.

Simply scan the QR code in your shop to access the form and help advocate for the industry's future!

To request a QR code emailed to you, please send an email to rlittlefield2@tireindustry.org



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