

# LEGISLATIVE UPDATE

**December 8, 2025**



## Washington Update

With two weeks left before the holiday recess, Congress appears unlikely to reach year-end agreements on government funding or healthcare.

Two key deadlines are approaching: Affordable Care Act (ACA) tax credits expire December 31, and current government funding ends January 30, 2026. The issues are now linked, but negotiations on both have stalled. The Senate will vote this week on a Democratic proposal to extend ACA tax credits for three years, as previously agreed, though the measure is not expected to pass. Lawmakers increasingly view the late-January funding deadline as the next major point for action on healthcare.

Spending legislation also remains slow. Senate leaders are trying to advance a package of appropriations bills before the recess, though several Senators have objections. Congress has enacted only three of the twelve annual spending bills so far.

The House will vote this week on the annual National Defense Authorization Act, a roughly \$900 billion measure that typically passes with broad support, followed by Senate consideration next week. The House will also take up several energy-related bills, including measures on electricity reliability, natural gas pipeline permitting, and Clean Water Act requirements, along with a bipartisan bill directing the Department of Energy to study electricity system risks.

The Senate will continue processing nominations, with a large group expected to be considered before the recess.

Several notable hearings are scheduled: U.S. Trade Representative Jamieson Greer before Senate Appropriations; Gene Simmons before Senate Judiciary on intellectual property; Homeland Security Secretary Kristi Noem before a House committee on homeland threats; and a Senate Commerce Committee vote on nominees for NASA, the Coast Guard, and multiple transportation-related agencies.

## **TIA Passes Resolution Backing Retreaded Tire Jobs and Supply Chain Security Act at Annual Meeting**

The Tire Industry Association (TIA) passed a new resolution on November 3 during its Annual Meeting in Las Vegas, formally supporting the Retreaded Tire Jobs, Supply Chain Security, and Sustainability Act (S.2790 / H.R.3401). The action reinforces TIA's commitment to strengthening U.S. manufacturing, improving supply chain resilience, and advancing sustainability.

During the meeting, TIA leaders presented the proposed resolution to members, outlining the vital role the U.S. retread industry plays in supporting thousands of skilled manufacturing jobs, reducing dependence on imports, and extending the life of existing tires. Retreading is recognized as the highest form of recycling—saving roughly 15 gallons of oil per tire and significantly reducing waste.

TIA also highlighted ongoing challenges posed by low-cost, subsidized imported tires from Asia, many of which are non-retreadable and contribute to escalating scrap tire disposal problems.

The legislation endorsed by TIA would address these issues by establishing a federal tax credit of up to \$30 per retread (or 30% of the purchase price) and directing federal agencies to consider retreaded tires in their procurement. These incentives are designed to promote sustainability, lower fleet operating costs, and support U.S. small businesses and workers.

By adopting the resolution, TIA is urging Members of Congress to co-sponsor and advance this bipartisan legislation. The association reaffirmed that it will continue advocating for policies that expand the use of retreaded tires and strengthen America's supply chain and manufacturing competitiveness.

[To view the full resolution click here.](#)

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## **President Trump Announces Revision of Corporate Average Fuel Economy (CAFE) Standards**

President Donald Trump announced a plan to revise the Corporate Average Fuel Economy (CAFE) standards for passenger vehicles. The initiative, called "Freedom Means Affordable Cars," is projected to reduce costs for American consumers by an estimated \$109 billion over the next five years and lower the average cost of a new vehicle by approximately \$1,000.

According to National Highway Traffic Safety Administration (NHTSA) estimates, the revision could also lead to more Americans purchasing newer vehicles, potentially preventing over 1,500 deaths and nearly 250,000 serious injuries through 2050.

The updated standards return CAFE targets to levels that can be met with conventional gasoline and diesel vehicles, offering greater flexibility for automakers. Industry officials have noted that the previous standards, set during the Biden Administration, established aggressive fuel economy targets that could have accelerated the shift to electric vehicles. The administration stated that the revision aligns the program with legal limits established by Congress and supports continued vehicle affordability.

Under the revised standards, consumers may face lower costs when purchasing new vehicles, while automakers gain additional flexibility in meeting fuel economy requirements. The administration noted that the changes could encourage more Americans to purchase newer, safer vehicles, supporting overall road safety.

This revision follows other actions by the Trump administration related to vehicle standards and electric vehicle mandates. Earlier this year, Trump signed a resolution ending California's EV mandates, which would have required increasing percentages of new vehicles sold in the state to be electric. The administration also enacted changes to penalties for noncompliance with CAFE standards and proposed rescinding the 2009 EPA Endangerment Finding, which underpins certain greenhouse gas regulations.

The administration stated that the revisions are intended to provide stability for both consumers and automakers while maintaining achievable fuel economy requirements, helping ensure that vehicles remain accessible, safe, and reliable for American families.

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## **Treasury, IRS Issue Guidance on Trump Accounts Established Under the Working Families Tax Cuts; Notice Announces Upcoming Regulations**

The Department of the Treasury and the Internal Revenue Service issued a notice announcing upcoming regulations and providing guidance regarding Trump Accounts, which are a new type of individual retirement account (IRA) for eligible children.

[Notice 2025-68](#) PDF provides a general overview of how Trump Accounts work and addresses certain initial questions about creating initial and rollover Trump Accounts, the \$1,000 pilot program contribution, other contributions – including qualified general contributions and section 128 employer contributions – eligible investments, distributions, reporting, and coordination with the rules applicable to other types of IRAs.

The Working Families Tax Cuts provides for establishing a Trump Account on behalf of every eligible child for whom an election is made, generally by a parent or guardian, and who has not turned age 18 before the end of the calendar year in which the election is made. Contributions to Trump Accounts cannot be made before July 4, 2026.

Additionally, the federal government will make a one-time \$1,000 pilot program contribution to the Trump Account of each eligible child for whom an election is made, who is a U.S. citizen and who is born on or after Jan. 1, 2025, through Dec. 31, 2028.

Certain governmental entities and charities may also make qualified general contributions to Trump Accounts, if given to a qualified class of account beneficiaries. Other persons are also able to make contributions up to an aggregate limit of \$5,000 per year. Furthermore, an employer may contribute to a Trump Account of the employee or the employee's dependent up to \$2,500 per year (which counts against the \$5,000 annual limit) under an employer's Trump Account contribution program, and the contribution will not count toward the employee's taxable income. The annual contribution limits are indexed to inflation and will adjust starting after 2027.

The funds in Trump Accounts must be invested in certain mutual funds or exchange-traded funds that track the S&P 500 or another index of primarily American equities.

Amounts generally cannot be withdrawn from Trump Accounts before January 1st of the calendar year in which the child turns 18 years old. After that point, the account generally is treated as a traditional IRA and generally is subject to the same rules as other traditional IRAs.

Today's notice addresses certain areas of interest to prospective trustees of Trump Accounts and to those individuals, such as parents and guardians, who would like to establish and/or contribute to these accounts. The notice requests comments on numerous issues related to Trump Accounts.

The IRS is posting a draft version of Form 4547, Trump Account Election(s) to [Draft tax forms](#). When final, the new form can be used to establish a Trump Account and to enroll in the pilot program.

The IRS continues to provide updates and additional information related to the tax benefits from the [Working Families Tax Cuts](#) at IRS.gov.

Please visit [trumpaccounts.gov](http://trumpaccounts.gov) for more information on Trump Accounts.

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## **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](mailto:rlittlefield2@tireindustry.org)



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