



Week Ending 3/8/24

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Congressional Overview

Congress passed a detailed agreement to fund large parts of the government through Sept. 30. This funding includes the FY24 Appropriations Bill for Agriculture-FDA, Commerce-Justice-Science, Energy and Water, Interior-Environment, Military Construction-VA, and Transportation-HUD. The remaining funding for the Defense Department, Homeland Security, and social programs operated through the Health and Human Services Department is currently set to shut down on March 23 and to date, there is no agreement on their funding.

The House also considered two bills: one to loosen securities regulations and another to authorize states to pursue civil action against the Homeland Security Department for violating detention and removal requirements. The Senate joined the House on Thursday night for President Joe Biden's State of the Union address.

U.S. District Court Rules CTA Unconstitutional

A U.S. District Court judge in Alabama has ruled that the Corporate Transparency Act (CTA) is unconstitutional. However, the injunction only currently applies to the plaintiffs in the lawsuit. All other reporting companies that are not plaintiffs in this case are still bound by the CTA.

[As a reminder](#), under the CTA, companies must disclose the identities and other information about anyone who owns a stake of at least 25% or exercises significant control over the company. Existing companies have until the start of 2025 to file their disclosures. Companies created or registered in 2024 have 90 days to comply.

The plaintiffs in this case, the National Small Business Association and one of its members, sued in November 2022, seeking a permanent injunction against the implementation of the CTA reporting rules. On March 1, 2024, a U.S. District Court judge in Alabama ruled that the CTA is unconstitutional because it "exceeds the Constitution's limits on the legislative branch" and fails the "necessary and proper" test. This decision will not be the end of the matter. The U.S. government will likely appeal the decision to the Court of Appeals for the Eleventh Circuit. These court cases can be lengthy and uncertain processes, and the Eleventh Circuit could overturn this ruling.

House-Passed Tax Bill Advances in the Senate

Senate Republicans are working on a set of policies to push for inclusion in the \$79 billion House-passed family and business tax breaks package, as Finance Chair Ron Wyden (D-OR) indicated he would be open to adding to the bill. The package, which passed the House in January, would revive a trio of business tax credits and expand the child tax credit (including permitting families with more than one child to qualify for more of the credit faster). It would also boost low-income housing tax credits, provide tax relief for disaster victims, and extend tax treaty-like benefits to U.S. companies operating in Taiwan.

Several Senate Finance Republicans, including ranking member Mike Crapo (R-ID), want to remove a provision that allows parents to use the previous year's income to qualify for the child tax credit. They

argue that this language would allow some taxpayers without earnings that year to benefit, running contrary to their goal of preserving a work incentive.

CDC Drops COVID-19 Five Day Isolation Guidance

The [CDC published new guidance](#) for COVID-19 and other respiratory illnesses, suggesting people who are sick stay at home until they are fever-free for 24 hours and their symptoms have been improving for the same period of time. The new guidance drops the recommendation to isolate for five days. Instead, the CDC says that, in the five days that follow, recovering people can be out and about in public but should take measures like masking and keeping distance from others to reduce the risk that they will spread their illness.

The CDC issued a recommendation that people 65 and older get an additional COVID-19 shot this spring, marking it the third year in a row that spring boosters will be offered. Per the CDC, “COVID-19 hospitalizations are most common among people 65 and older; people 75 and older are most likely to die from the infection. Only about 40% of people 65 and older have received the 2023-2024 vaccine.”

Senate Minority Leader McConnell Steps Down

Minority Leader Mitch McConnell (R-KY), the longest-serving Senate leader in history, will step down from that position in November. Sen. McConnell, who turned 82 last week, announced his decision from the Senate floor. Per his comments, “One of life’s most underappreciated talents is to know when it’s time to move on to life’s next chapter. So I stand before you today ... to say that this will be my last term as Republican leader of the Senate. Father time remains undefeated. I’m no longer the young man sitting in the back. It’s time for the next generation of leadership.”

Sen. McConnell (R-KY) has long been the top fundraiser for Senate Republicans through cycles of holding or regaining the majority over his 17-year tenure as the Republican Party Leader. He does not intend to retire from the Senate entirely, “I still have enough gas in my tank to thoroughly disappoint my critics.” He is up for reelection in 2026 and those most likely to replace McConnell as leader are Sens. John Thune (R-SD) and John Cornyn (R-TX). President Biden praised his relationship with McConnell stating, “We’ve had a great relationship. We fight like hell, but he never, never, never misrepresented anything. I’m sorry to hear he’s stepping down.”

U.S. Supreme Court Rules on State Ballots and the 14th Amendment

The U.S. Supreme Court unanimously ruled states cannot use the 14th Amendment to remove former President Trump from state ballots. The ruling reverses a Colorado ruling that disqualified him from returning to office because of his conduct around Jan. 6, 2021. The justices “said the Constitution does not permit a single state to disqualify a presidential candidate from national office” and “warned of disruption and a chaotic state-by-state patchwork if a candidate for nationwide office could be declared ineligible in some states, but not others, based on the same conduct.”

The court did not weigh in on the question of whether Trump engaged in an insurrection by attempting to subvert the 2020 election results or stoking the violence on Jan. 6th, but ruled “that only Congress, not the states, can disqualify a presidential candidate under the Constitution’s ‘insurrection clause.’”