

# ARA's focus issues at Caucus 2023

## Workforce development

**Issue:** The equipment and event rental industry faces a labor shortage in highly-skilled positions including service technicians, drivers, welders, tent installers and project managers. The American Rental Association (ARA) has developed a multipronged workforce development program to promote careers in the industry but believes there also is a role for the federal government in promoting technical training and apprenticeship programs.

**Action requested:** Enaction of the Jumpstart Our Businesses (JOBS) Act. This legislation would expand eligibility for federal Pell Grant programs to individuals pursuing short-term, high-quality education and training programs to address the worker shortage by closing the skills gap.

ARA also supports the use of tax incentives for businesses to spur workforce development programs like apprenticeships that create a pathway for students to enter the workforce with on-the-job experience or partnerships with higher education institutions to graduate students with skills the rental industry needs.

## H-2B visas

**Issue:** The H-2B visa program for temporary seasonal (unskilled, nonagricultural) workers has been critical to ARA members, especially those in the event segment with seasonal events that are very labor-intensive. The inability to obtain H-2B workers year to year, processing costs, and lack of an electronic platform causes tremendous business uncertainty and further burdens businesses struggling to recover from pandemic shutdowns.

**Action requested:** ARA supports the H-2B Returning Worker Exception Act of 2021, which modifies the H-2B nonimmigrant visa program by exempting certain workers from the annual numerical limit on H-2B visas and enacting civil penalties for program violations. Under this bill, a worker seeking a H-2B visa who has been counted toward the 66,000 annual cap on such visas in one of the three preceding fiscal years will not be counted against the cap again.

## Tax policy

**Issue:** Several tax provisions used by ARA members — many of which are pass-through entities — are phasing out and will negatively impact their ability to replenish or expand their fleet or comply with requirements to provide electric equipment to job sites and event venues.

**Action requested:** ARA is interested in the following tax provisions:

- Permanent extension of full expensing/bonus depreciation, which is phasing out and will be eliminated by 2026.
- The Qualified Business income deduction in Section 199 A(i). Section 199(A) is set to expire in 2025. If not extended or made permanent, many small independent businesses will face a major tax increase. ARA supports making Section 199(A) permanent.
- Under current law, R&D expenses — incurred by many rental businesses when they develop efficiency-improving systems — must be amortized over five or 15 years. ARA supports making the R&D tax credit permanent and fully deductible in the year the expense is incurred.

- The Inflation Reduction Act (IRA) provides incentives for businesses purchasing zero emission and hybrid vehicles (including mobile machinery) and related charging infrastructure. The rental industry is looking for guidance from the Treasury on a number of issues surrounding the use of these types of vehicles.

### **Catalytic converter theft**

**Issue:** The National Insurance Crime Bureau reports a 1,215 percent increase in catalytic converter thefts since the pandemic began. Last year, ARA members alone reported 38 percent more instances of theft. Replacement costs to vehicle owners averages more than \$2,500.

**Action requested:** Passage of the Preventing Auto Recycling Theft (PART) Act that has been introduced in both the House and Senate. The act would assist law enforcement in combating rising catalytic converter theft by providing a national framework that would mark catalytic converters with an identifying mark traceable to the Vehicle Registration Number (VIN), establish federal criminal penalties and create a more transparent market that deters theft. ♦