

# Our Speakers

Legislative Update



**Patrick Robertson**

Confluence Government Relations



**Chris Johnsen**

Jones Walker



**Steve Stombres**

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# Washington, DC and Taxes

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May 2026

confluence

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WHERE BUSINESS, GOVERNMENT, AND  
OPPORTUNITY COME TOGETHER.



**The Historic Tax Credit Coalition (HTCC) is a diverse group of industry stakeholders that recognize the importance of the federal Historic Tax Credit (HTC) and work with Congress and the Executive Branch to improve and expand the use of this important economic development tool.**

Join developers, investors, preservation consultants, accountants, lawyers, syndicators, and others and be part of the industry's leading nonprofit advocacy organization. Participate in conversations that will shape the future of the Historic Tax Credit and the use of the HTC on your next historic rehabilitation project.

## Membership Options

Board of Directors

+

Coalition Member

+

Small Firm Member

+

Statewide and Local Non-Profits

+

2026 is a midterm election year. What is driving the conversation?

57 (37R and 20D) retirements in the House of Representatives  
(five current vacancies)

In 2018, there were 34 Republicans who retired

14 Senators are not seeking re-election, but the oldest member  
of the Senate is!

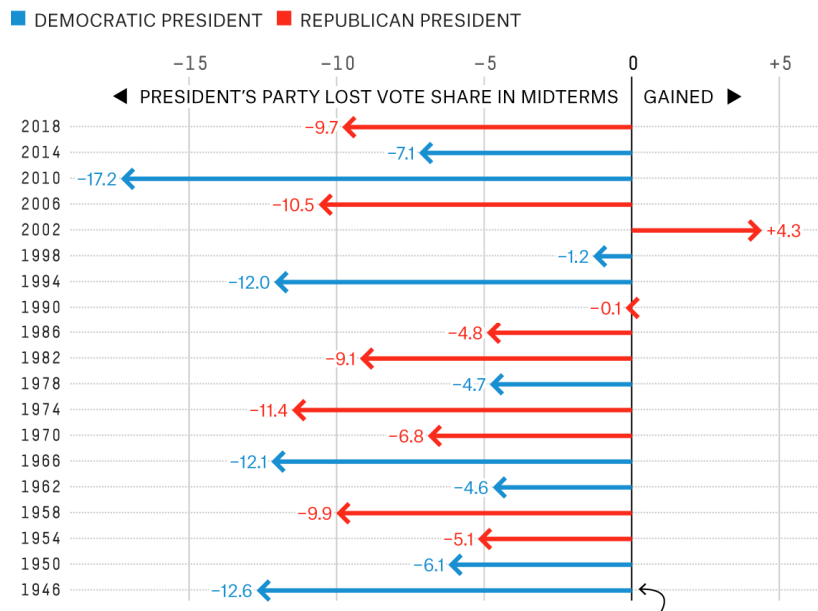
Currently the House has 216 Republicans, 213 Democrats, and  
one independent with three vacancies

In the Senate, it is 53 Republicans and 47 Democrats

# What does history tell us?

## The president's party usually loses votes in midterms

Change in U.S. House popular vote margin from the presidential to midterm year for the party holding the presidency, in midterms since 1946



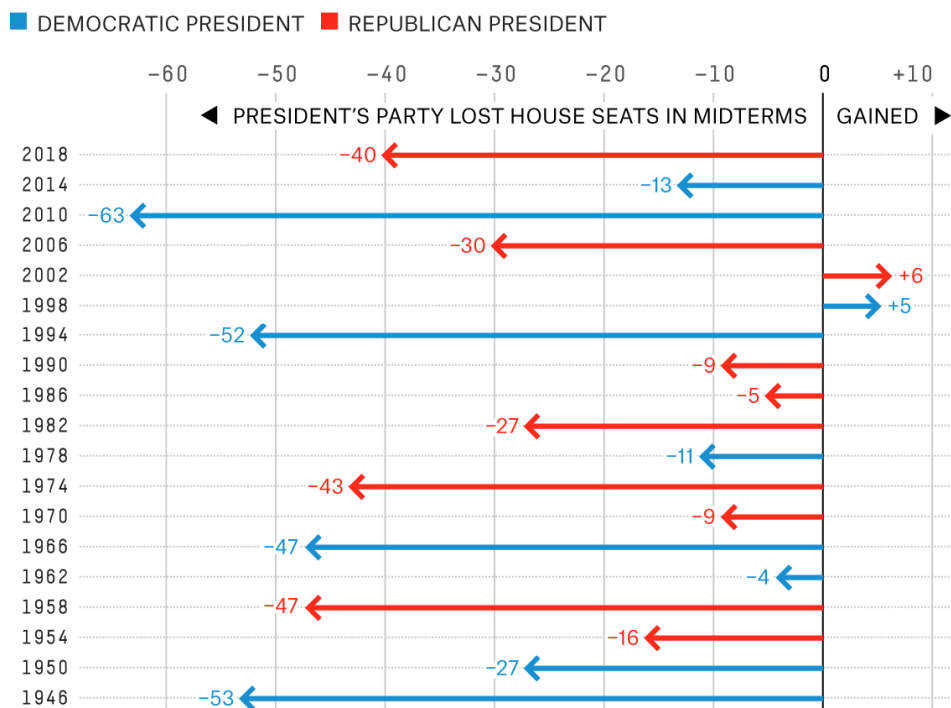
Democrats won the House popular vote by a **D+3.4** margin in 1944, when Franklin Roosevelt won his fourth presidential term, but this advantage disappeared in the 1946 midterms, when Republicans won the popular vote by a **R+9.2** margin — a net loss of **-12.6** percentage points for Democrats.

FiveThirtyEight

SOURCE: U.S. HOUSE OF REPRESENTATIVES

## The president's party usually loses House seats

Change in U.S. House seats for the party holding the presidency, in midterms since 1946



FiveThirtyEight

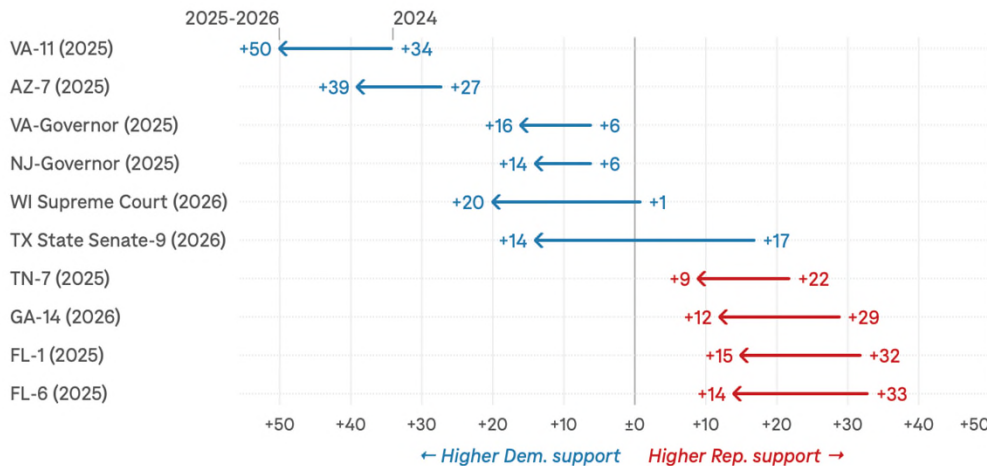
SOURCES: GREG GIROUX, MICHAEL DUBIN, U.S. HOUSE OF REPRESENTATIVES, VOTEVIEW.COM

# The Dynamics

## Democrats made significant gains after 2024

Even in races where Democrats lost, they did so by smaller margins than in 2024.

### MARGIN OF VICTORY IN 2024 VS. 2025-2026



#### Notes

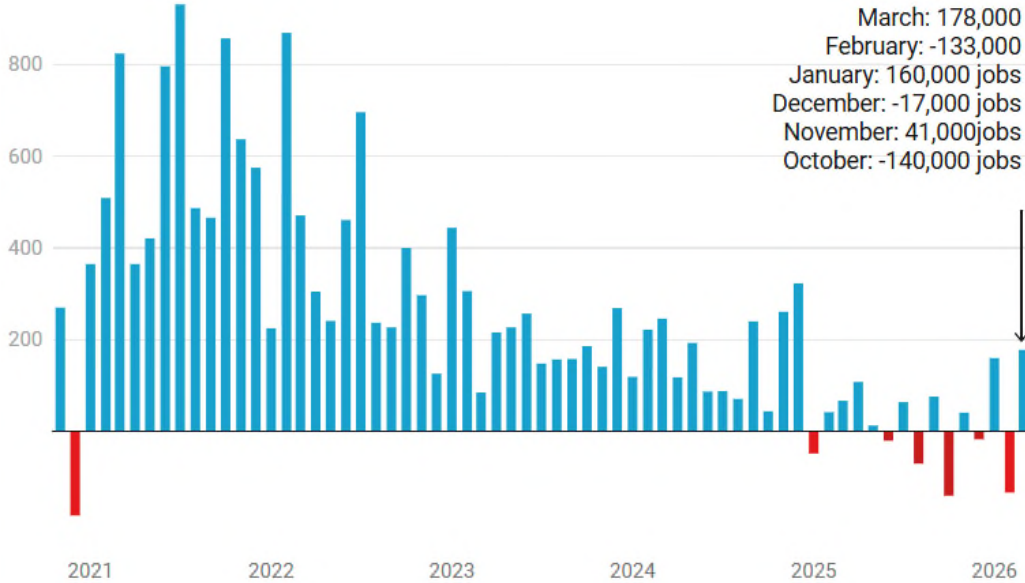
For House races, the special election result is compared with the 2024 House general election result for that seat. For gubernatorial races and the Wisconsin Supreme Court race, the election result is compared with the 2024 presidential result for that state.

Credit: Domenico Montanaro, Stephen Fowler and Alyson Hurt/NPR

- Democrats 30-0 in flipping state legislative seats since 2024 election
- Wisconsin and Georgia elections in early April were a Dem +20 overperformance
- **In early June the generic ballot is Democrat +6.9%**
- Average Democratic overperformance is almost 13%
- In 2014, Republicans were winning this question by only 2.4 points on average and went on to gain 13 extra seats in the House and took control of the Senate
- **IF** Democrats won only seats President Trump carried by less than 10 points, they would win 40 seats
- Cook Political Report – 213 Dem, 205 Republican, 17 toss up (14 of which are currently Republican held)

## The U.S. has barely added any jobs in the past year

Only 260,000 jobs have been added in the past 12 months. Almost all were in healthcare.

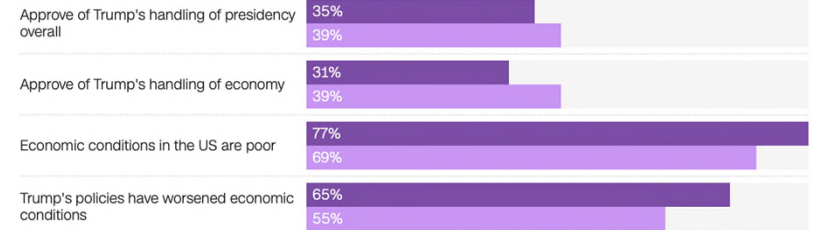


Source: Bureau of Labor Statistics • Get the data • Created with Datawrapper

It's the economy, stupid.

## President Trump's economic ratings have worsened since January, while his overall rating has remained more stable

■ March 2026 ■ January 2026



Note: The latest CNN poll was conducted by SSRS from March 26-30 among a random national sample of 1,201 US adults drawn from a probability-based panel. Surveys were either conducted online or by telephone with a live interviewer. Results shown in this chart have a margin of sampling error of ±3.2 percentage points.

Source: CNN/SSRS polling  
 Graphic: Ariel Edwards-Levy, CNN

WHAT HE PROMISED



**America First**

Focus on home

**Lower prices**

Defeat inflation on day one

**Seal the border**

Mass deportations

**Cut spending**

DOGE; shrink government

**Energy dominance**

Drill, baby, drill

**End wars fast**

"I'll end it in 24 hours"

2024 campaign

WHAT HE DID



**America Everywhere**

Foreign policy blitz

**Global tariffs**

Trade war with allies & rivals

**Threatened annexations**

Canada, Greenland, Panama

**Shook NATO alliances**

Questioned Article 5 commitment

**Wars dragged on**

Ukraine & Gaza unresolved

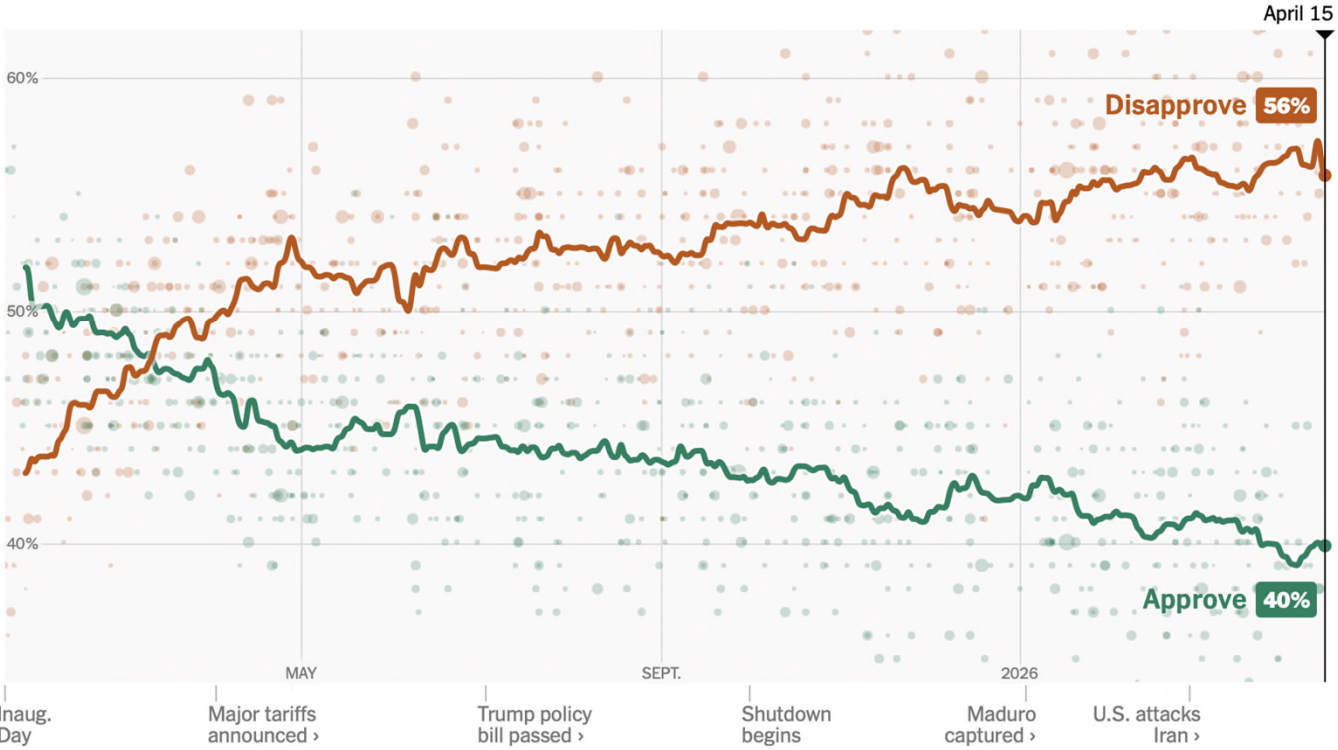
**Quit global institutions**

WHO, Paris Accord, UN bodies

2025 presidency

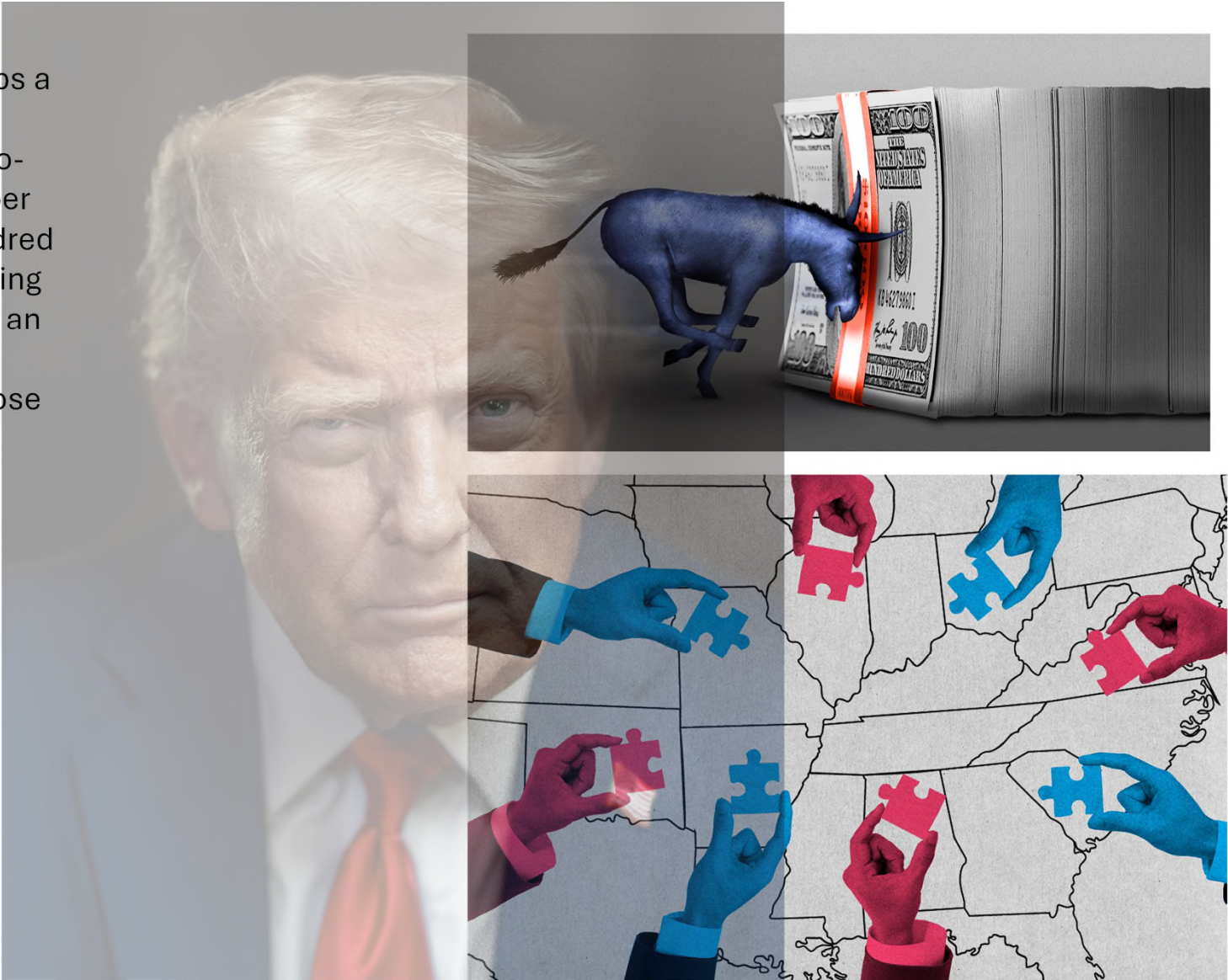
# Presidential approval rating

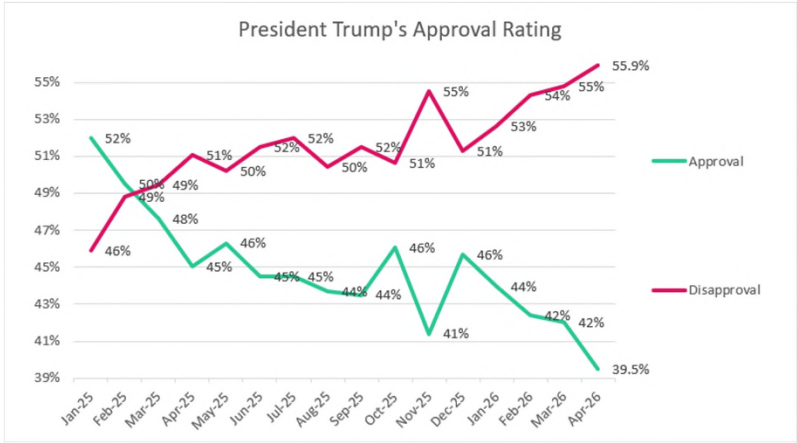
This is a daily average of polls conducted by dozens of different organizations since Inauguration Day. [See the latest polls.](#)



Note: Individual poll results are shown as circles. Polls with greater weight in the average have larger circles.

Trump's war chest tops a half-billion dollars — \$300 million in the pro-Trump MAGA Inc. super PAC and several hundred million more in Securing American Greatness, an allied nonprofit that doesn't have to disclose its donations.



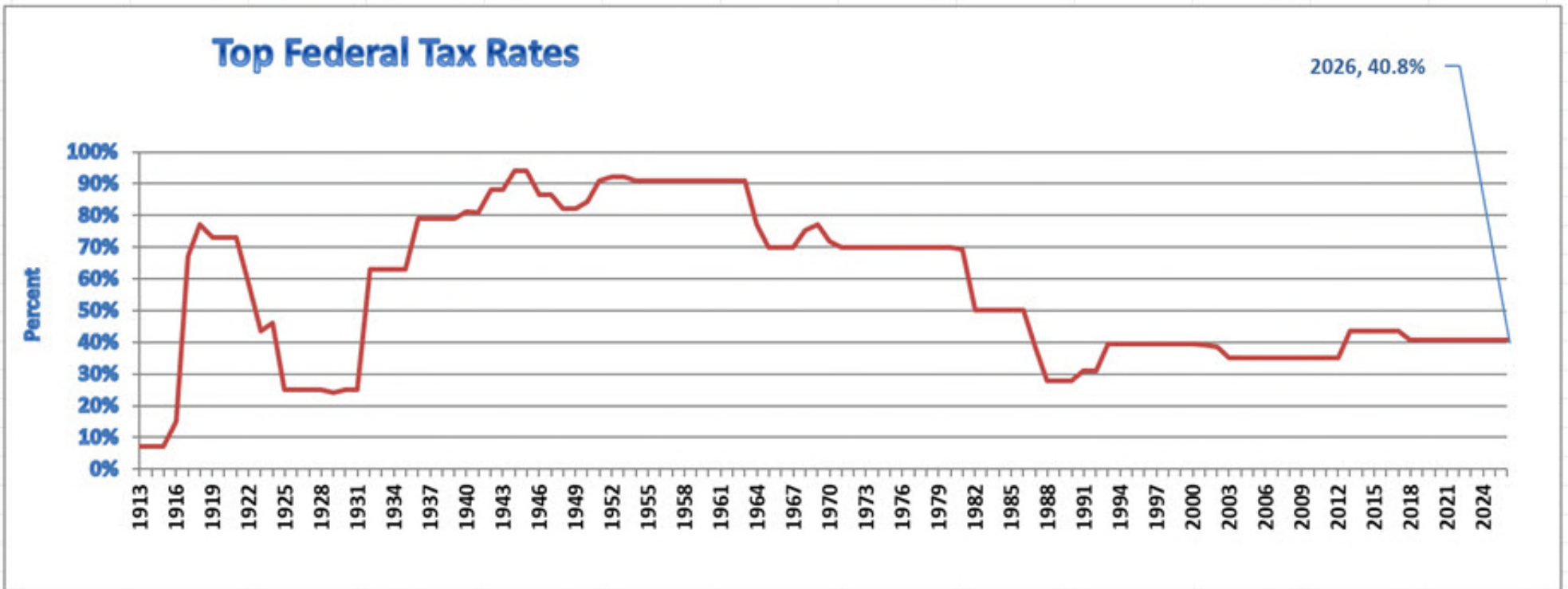


Year	Lost in Primary	Lost in General	Retired	Other Office	Total
2026 House	2		30	28	60
2026 Senate	1		9	1	11
2024 House	4	11	28	17	60
2024 Senate	0	3	8	1	12

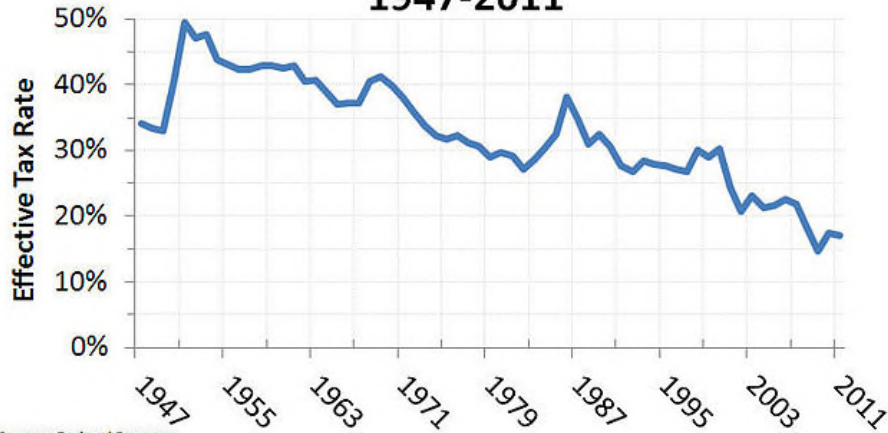




## Top Federal Tax Rates



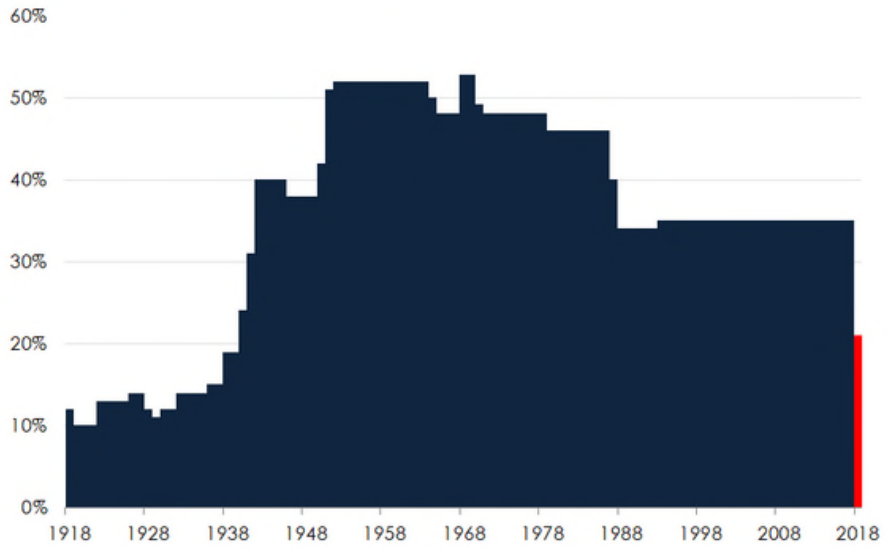
### U.S. Effective Corporate Tax Rate 1947-2011



Source: Federal Reserve

### History of the Corporate Income Tax

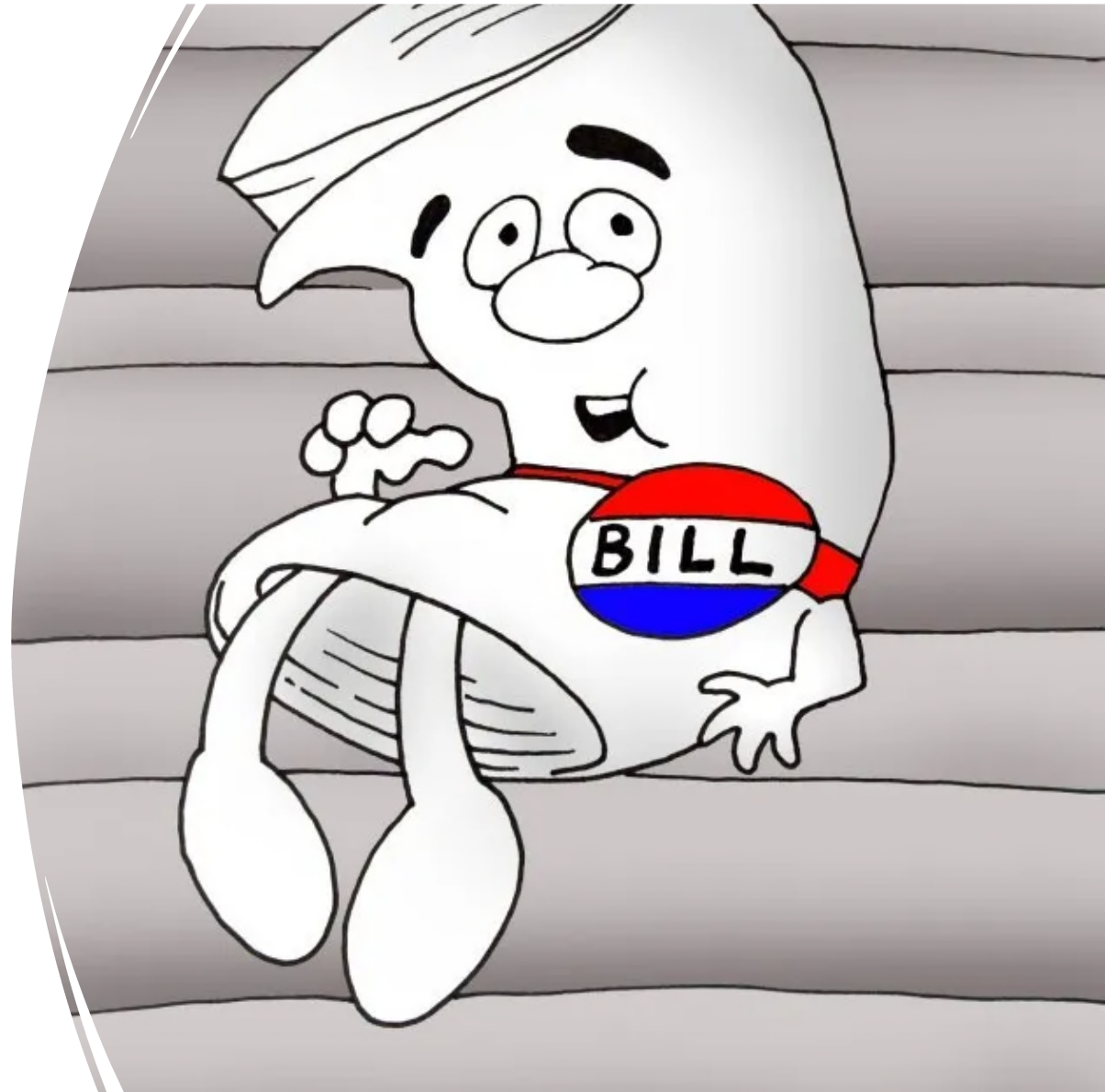
Top marginal tax rate for corporations in the United States



# The Historic Tax Credit Growth and Opportunity Act (HTC-GO)

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- **What does HTC-GO do?**
- Return to a one-year credit (#1 industry request)
- Special rules for rural and small deals – transferability, increase in credit to 30%
- Decrease the substantial rehab test to 50% of adjusted basis – makes more buildings eligible
- Eliminate the basis adjustment – don't tax a tax benefit and eliminates a phantom income item
- Eliminate the disqualified lease rules for non-profits (excludes government owned buildings) – to allow non-profits to more easily own buildings that use the credit
- 
- **How much does it cost?**
- We don't have a score yet, but we expect it costs in the \$15-\$25 billion range for permanence. As soon as we have a score, we will share it.



# House Cosponsors (47)



Rep. Darin LaHood (R-IL-18)



Senate  
Cosponsors  
(10)



Sen. Bill Cassidy (R-LA)

Sen. Warner,  
Mark R. [D-  
VA]

Sen.  
Klobuchar,  
Amy [D-MN]

Sen. Banks,  
Jim [R-IN]

Sen. Collins,  
Susan M. [R-  
ME]

Sen. Hyde-  
Smith, Cindy  
[R-MS]

Sen. Young,  
Todd [R-IN]

Sen.  
Cantwell,  
Maria [D-WA]

Sen. Smith,  
Tina [D-MN]

Sen. King,  
Angus S., Jr.  
[I-ME]

# One Big Beautiful Bill Act

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# 2025 Individual Provisions

No Tax on Tips

No Tax on  
Overtime

Increased CTC

Additional Senior  
Deduction

Partially  
Refundable  
Adoption Tax  
Credit

Increased SALT  
Deduction to  
\$40,000

Vehicle Interest  
Deduction

Trump Accounts

Electric Vehicle  
Credit ends  
9/30/25

Increase in  
Standard  
Deduction

# Some Business Provisions

Bonus  
Depreciation

Expensing of  
R&D

Business Interest  
returning to  
EBITDA Standard

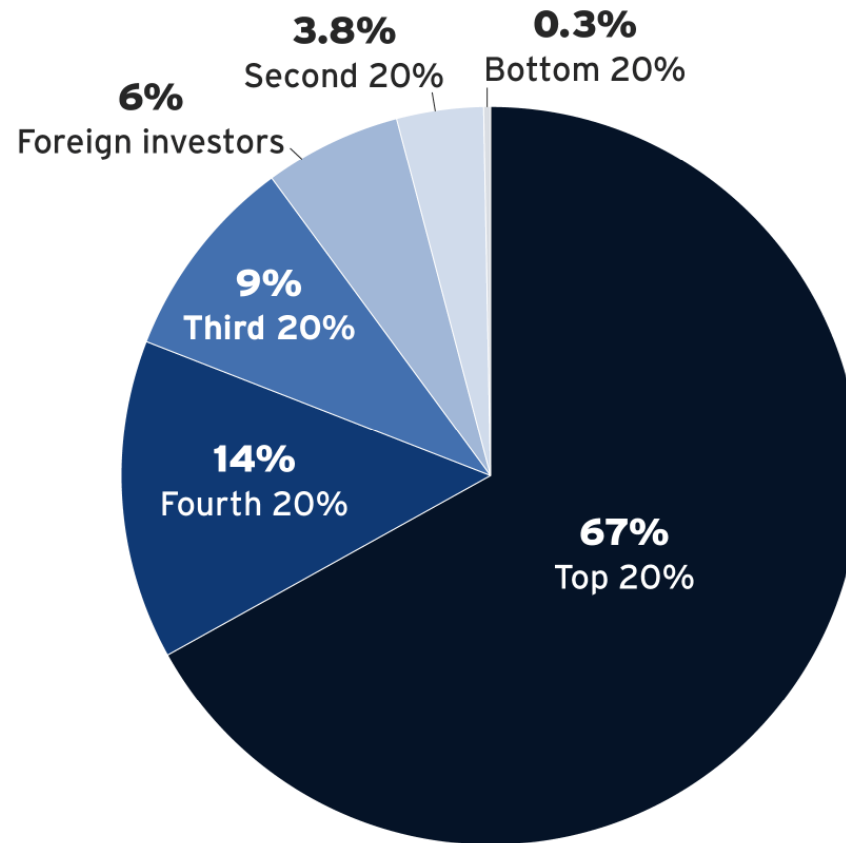
Expensing for  
manufacturing  
structures

Increased  
Section 179

1099-K threshold  
changes

# Distribution

## Shares of Tax Benefits from OBBBA



Source: Congressional Budget Office's "The Budget and Economic Outlook: 2025 to 2036," February 2026

Institute on Taxation and Economic Policy | [ITEP.org](https://www.itep.org)

# What will drive the next tax bill

2027 expirations

National Debt

Who is in charge

Reconciliation ... again?

# Expired in 2025

1. Premium assistance credit enhancements (sec. 36B(b)(3)(A)(iii) and (c)(1)(E))
2. Credit for energy efficient home improvements (sec. 25C)
3. Credit for residential clean energy (sec. 25D(h))
4. Credit for previously-owned clean vehicles (sec. 25E(g))
5. Credit for clean vehicles (sec. 30D(h))
6. Credit for qualified commercial clean vehicles (sec. 45W(g))
7. Work opportunity credit (sec. 51(c)(4)) 12/31/25
8. Exclusion from gross income for amount of discharge of student loan indebtedness (sec. 108(f)(5))
9. Seven-year recovery period for motorsports entertainment complexes (sec. 168(e)(3)(C)(ii) and (i)(15)(D))
10. Special expensing rules for certain film, television, live theatrical, and sound recording productions (sec. 181(h))
11. Empowerment zone tax incentives:
  - a. Designation of an empowerment zone and of additional empowerment zones (sec. 1391(d)(1)(A)(i) and (h)(2))
  - b. Empowerment zone tax-exempt bonds (secs. 1394 and 1391(d)(1)(A)(i))
  - c. Empowerment zone employment credit (secs. 1396 and 1391(d)(1)(A)(i))
12. Oil Spill Liability Trust Fund financing rate (sec. 4611(f)(2))
13. Sustainable aviation fuel credit (sec. 6426(k)(5))

Expiring in  
2026

1. Credit for elective deferrals and IRA contributions by certain individuals (sec. 25B)
2. Credit for alternative fuel vehicle refueling property (sec. 30C(i))
3. Small agri-biodiesel producer credit (sec. 40A(g))
4. Credit for advanced manufacturing investment (sec. 48D(e))
5. Credit for construction of new energy efficient homes (sec. 45L(h))
6. Beginning-of-construction date for energy efficient commercial buildings deduction (sec. 179D)

Expiring in  
2027

1. Beginning-of-construction date for clean hydrogen facilities (secs. 45V(c)(3)(C), 48(a)(15)(C))
2. Credit for advanced manufacturing production (sec. 45X(b)(3)(D))
  - a. Wind energy components
3. Placed-in-service date for credit for clean electricity production for wind and solar facilities (sec. 45Y(d))
4. Placed-in-service date for credit for clean electricity investment for wind and solar facilities (sec. 48E(e))
5. Expensing of certain costs of replanting citrus plants lost by reason of casualty (sec. 263A(d)(2)(C)(ii))

# Expiring in 2028

1. Deduction for qualified tips (sec. 224)
2. Deduction for qualified overtime compensation (sec. 225)
3. Special rules relating to qualified passenger vehicle loan interest (secs. 62, 163, 6050AA)
4. Additional deduction for seniors (sec. 151(d)(5))
5. Highway Trust Fund excise taxes
  - a. All tax rates (except for the permanent 4.3-cents-per-gallon rate) on highway gasoline, diesel fuel, kerosene, and alternative fuels (secs. 4041(a) and 4081(d)(1))
  - b. Reduced tax rate on partially exempt methanol or ethanol fuel (sec. 4041(m))
  - c. Tax on retail sale of heavy highway vehicles (sec. 4051(c))
  - d. Tax on heavy truck tires (sec. 4071(d))
6. Leaking Underground Storage Tank Trust Fund financing rate (secs. 4041(d)(4), 4042(b)(4), and 4081(d)(3))
7. Airport and Airway Trust Fund excise taxes:
  - a. All tax rates (except for the permanent 4.3-cents-per-gallon rate) on noncommercial aviation kerosene and noncommercial aviation gasoline (secs. 4081(d)(2)(B) and 4083(b))
  - b. Domestic and international air passenger ticket taxes and ticket tax exemption for aircraft in fractional ownership aircraft programs (sec. 4261(k) and (j))
  - c. Air cargo tax (sec. 4271(d))
  - d. Surtax on fuel used in aircraft in a fractional ownership program (sec. 4043(d))
8. Trump accounts contribution pilot program (sec. 6434)

Expiring in  
2029

1. Credit for advanced manufacturing production (sec. 45X(b)(3)(E))
  - a. Metallurgical coal
2. Credit for clean fuel production (sec. 45Z(g))
3. Increased deduction limitation for certain State and local taxes (sec. 164(b)(6) and (7))
4. Specified health insurance policy fee (sec. 4375(e))
5. Self-insured health plan fee (sec. 4376(e))
6. Highway Trust Fund excise taxes:
  - a. Annual use tax on heavy highway vehicles (sec. 4481(f))

# Expiring Later

## **2030**

- Special financial assistance program for financially troubled multiemployer plans (sec. 9704 of Public Law 117-2)
- Special depreciation allowance for qualified production property (sec. 168(n))

## **2031**

- Superfund excise taxes on certain chemicals and imported substances (secs. 4661(c) and 4671(e))

## **2032**

- Beginning-of-construction date for certain qualified carbon oxide sequestration facilities (sec. 45Q(d)(1))
- Credit for zero-emission nuclear power production (sec. 45U(e))
- Transfer of excess pension assets to retiree health and life insurance accounts (sec. 420(b)(4))
- Election for treating certain credits for production of clean hydrogen, carbon oxide sequestration, and advanced manufacturing production as payments (sec. 6417(d)(1)(E))

# Expiring Later

## 2033

- Credit for advanced manufacturing production (sec. 45X(b)(3))

## 2034

- Beginning-of-construction date for increased credit for geothermal heat pump property (sec. 48(a)(3)(A)(vii))

## 2035

- Beginning-of-construction date for credit for clean electricity investment (sec. 48E(e))
- Beginning-of-construction date for credit for clean electricity production (sec. 45Y(d))



# Bipartisan Tax Agreement?

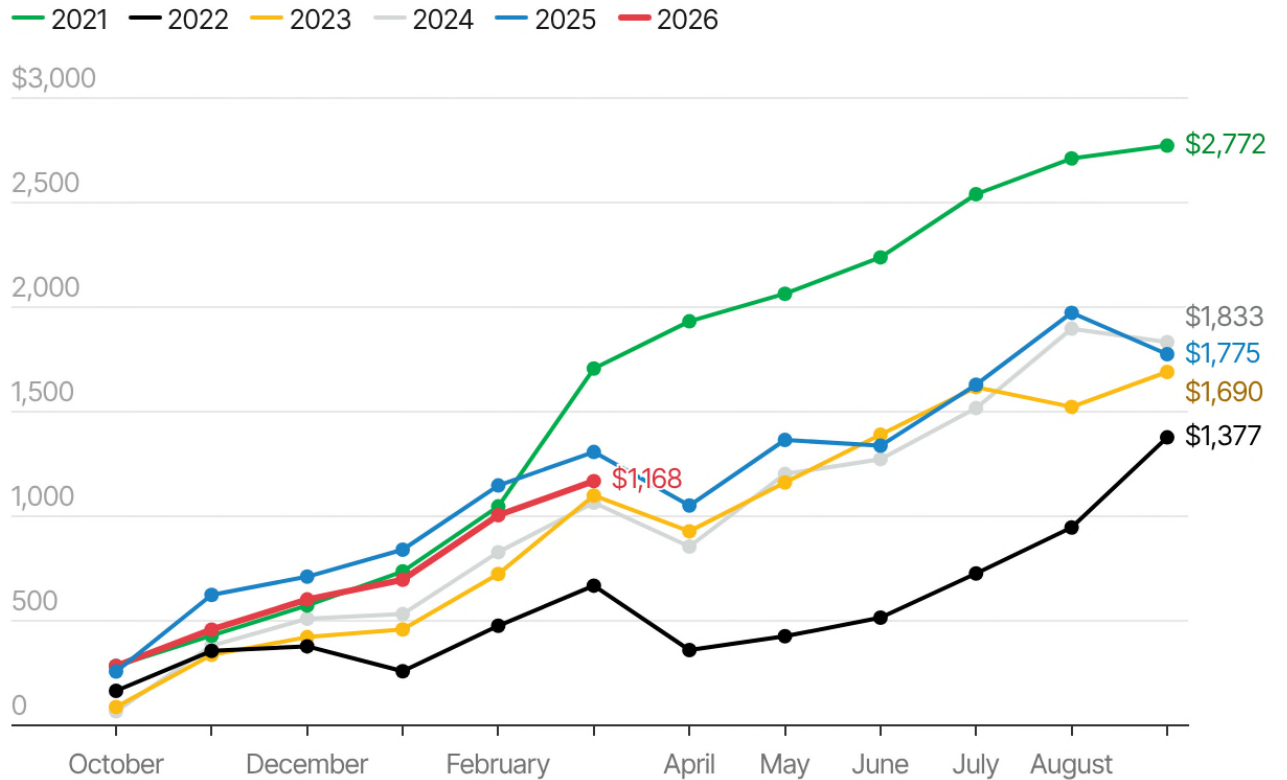
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# Deficit and Debt

## Deficit Tracker

Cumulative federal deficit in billions of dollars (nominal), FY2021-2026



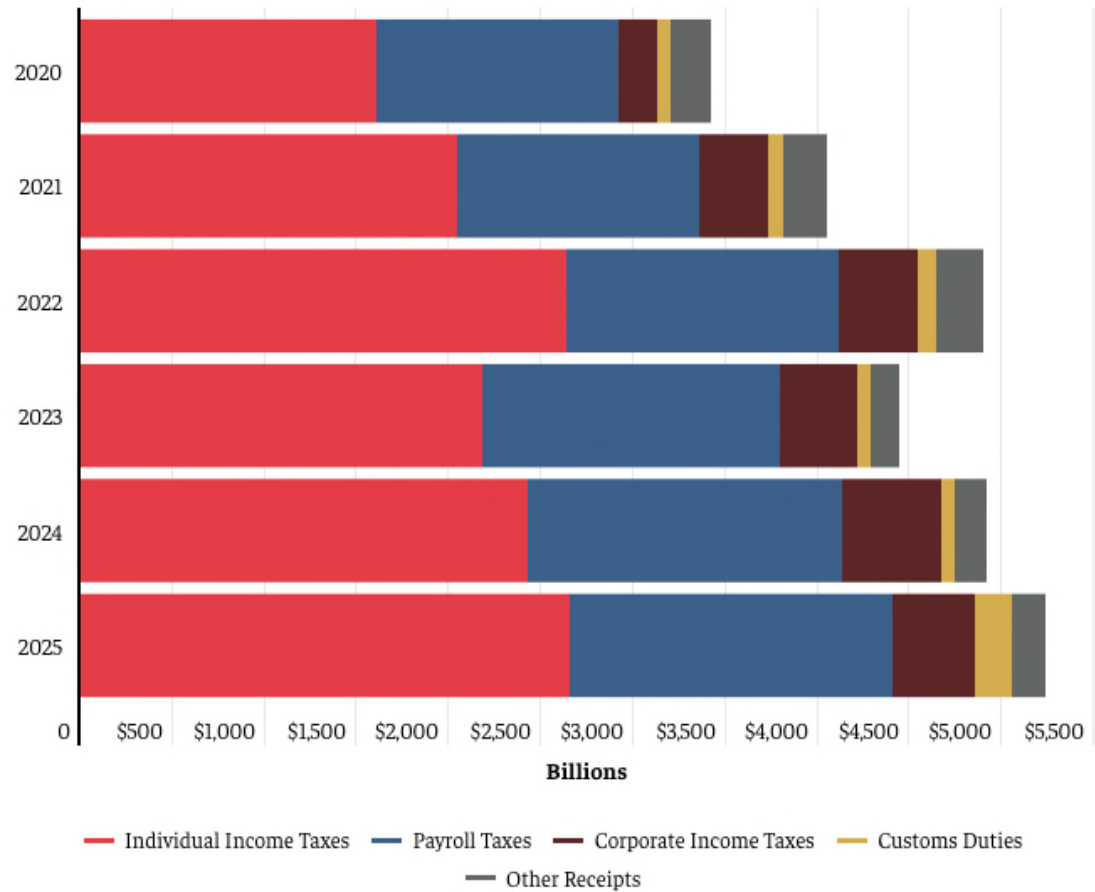
The federal fiscal year starts in October.

Chart: Bipartisan Policy Center • Source: Congressional Budget Office, U.S. Department of Treasury



# Deficit and Debt

**U.S. Federal Revenue by Category, FY2020-2025**

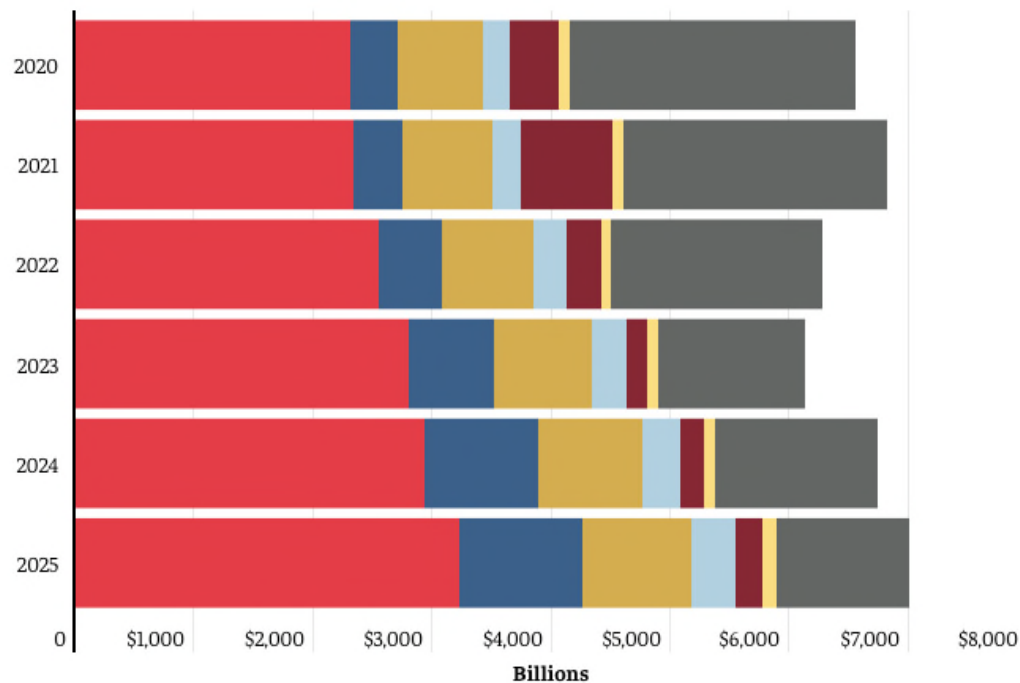


Sources: Congressional Budget Office and Treasury Department

Note: Customs duties includes tariffs. Values for all years are actuals except for 2025.

# Deficit and Debt

**U.S. Federal Spending by Category, FY2020-2025**



■ Major Mandatory Spending   
 ■ Net Interest on the Public Debt   
 ■ National Defense  
■ Veterans Affairs   
 ■ Refundable Tax Credits   
 ■ Homeland Security   
 ■ All Other Spending

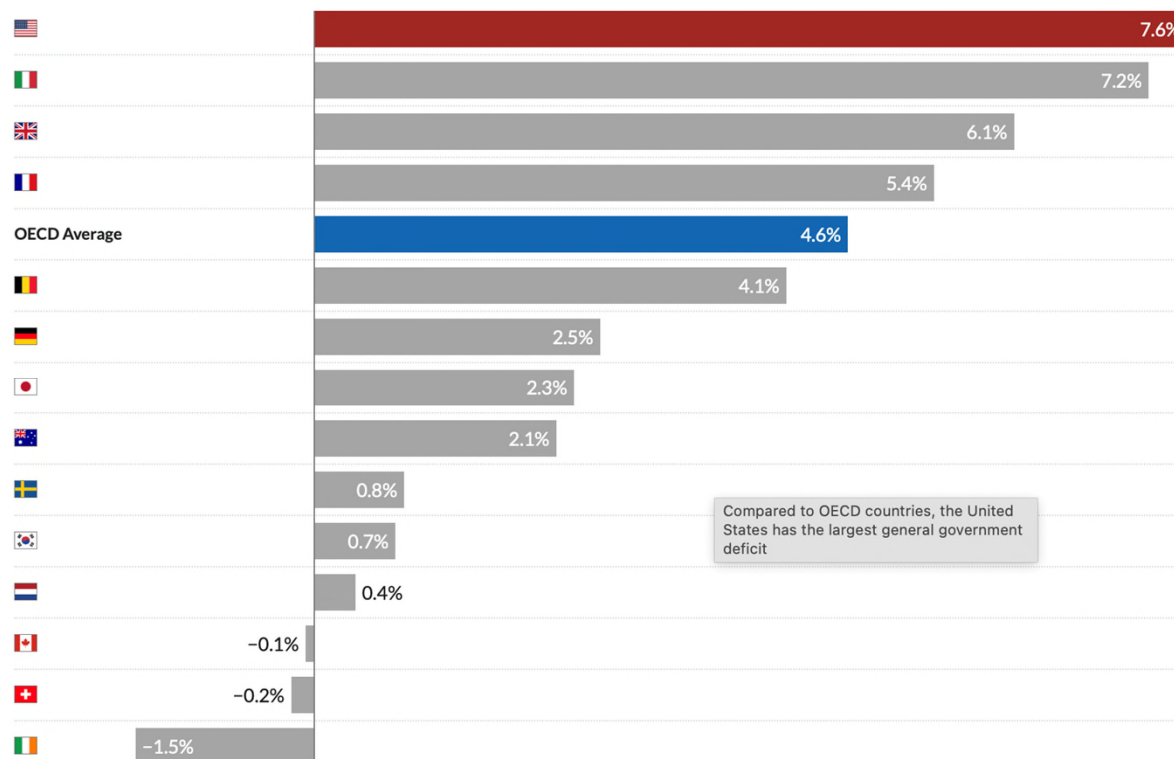
Sources: Congressional Budget Office and Treasury Department

Note: "Major mandatory spending" includes Social Security, Medicare, and Medicaid. "Refundable tax credits" include economic impact payments, the Earned Income Tax Credit, the Child Tax Credit, premium tax credits, and the American Opportunity Tax Credit. Values for all years are actuals except for 2025.

# Deficit and Debt

## Compared to OECD countries, the United States has the largest general government deficit

Fiscal Deficit (% of GDP)

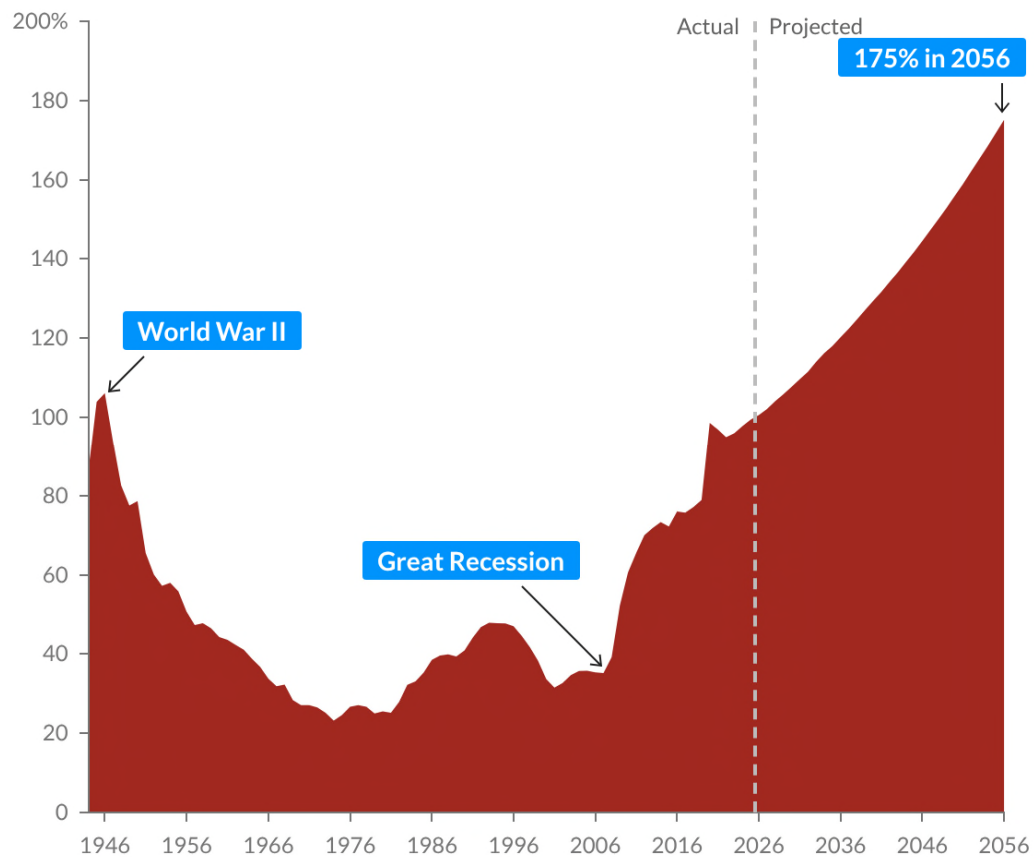


Source: Organisation for Economic Co-operation and Development • Embed

Notes: Fiscal balance is calculated as general government revenues minus general government expenditures. A negative balance is a deficit. OECD defines general government as all forms of public authorities including central, state, and local government as well as social security funds and some nonprofit organizations. Data are for 2023, the year with the most recent OECD data for the United States. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, are included.

# Deficit and Debt

### Debt Held by the Public (% of GDP)



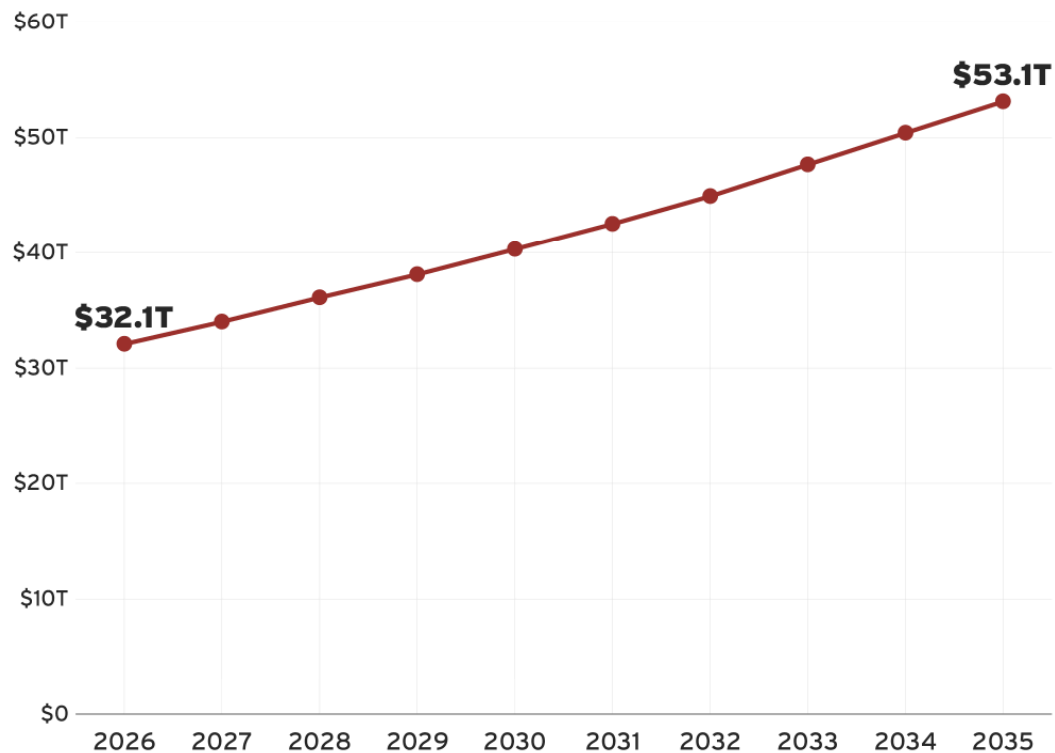
Source: Congressional Budget Office and Office of Management and Budget

Note: Congressional Budget Office data is from their 10-year and long-term outlooks.

# Deficit and Debt

## CBO Projection of National Debt

Projection as of February 2026



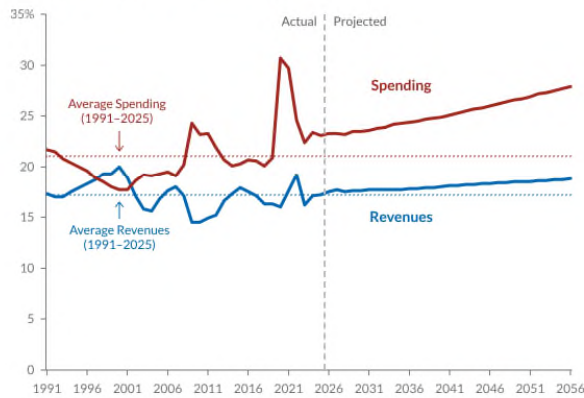
Source: Congressional Budget Office's "The Budget and Economic Outlook: 2025 to 2036," February 2026

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# Deficit and Debt

The growing debt is caused by a structural mismatch between spending and revenues

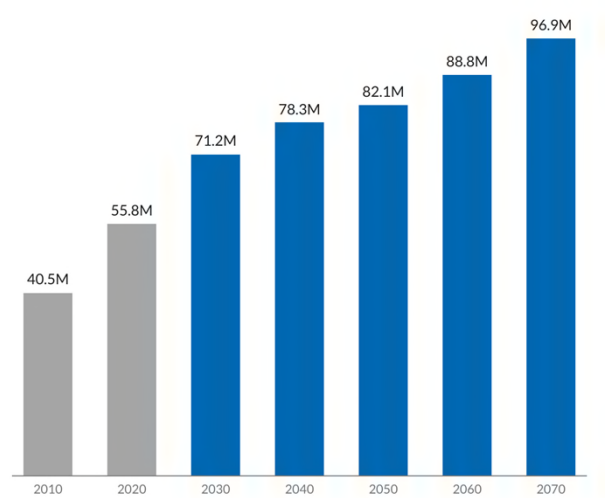
Federal Spending and Revenues (% of GDP)



Source: Congressional Budget Office and Office of Management and Budget  
Notes: Congressional Budget Office data is from their 10-year and long-term outlooks. Projected data have been adjusted to remove the effects of timing shifts.

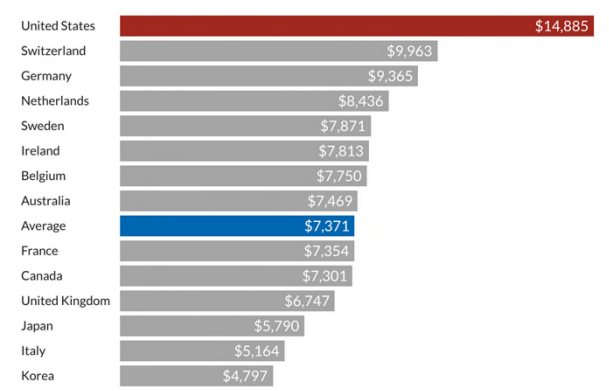


Population Age 65 and Older (Millions)



Source: U.S. Census Bureau  
Note: Census Bureau reports include their Population Projections and Historical Values

Healthcare Costs per Capita (\$)



Source: Organisation for Economic Co-operation and Development  
Notes: Data are for 2024. Average does not include the United States. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Chart uses purchasing power parities to convert data into U.S. dollars.



# Tax Resources



Joint Committee on  
Taxation – [www.jct.gov](http://www.jct.gov)



IRS's OBBB Page --  
<https://www.irs.gov/newsroom/one-big-beautiful-bill-provisions>



Copy of the bill --  
<https://www.congress.gov/bill/119th-congress/house-bill/1/text>



White House page --  
<https://www.whitehouse.gov/obbb/>



Tax Foundation --  
<https://taxfoundation.org/research/all/federal/one-big-beautiful-bill-act-tax-changes/>

# Thank you!

Legislative Update



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