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Senate Democrats Unveil "Jobs" Agenda; Plan Hiring Tax Credit Vote After Break

The Senate Democrats have released an outline of their plans to stimulate job creation through a series of bills, ranging from a tax credit for new hires, extension of unemployment benefits, small business lending, additional infrastructure funding, aid to states, and a residential energy-efficiency consumer rebate program called HomeStar (formerly "Cash for Caulkers"). While Majority Leader Harry Reid (D-NV) initially hoped to pass the first bill before the President's Day recess, action was slowed this past week due to the challenging weather that largely shut down the nation's capitol. Votes now will not occur until Congress returns February 22 from their scheduled President's Day recess.

During the past week, Senate Finance Chairman Max Baucus (D-MT) and ranking member Charles Grassley (R-IA) unveiled a bipartisan \$84 billion plan that included a tax credit for new hires and numerous tax cut extensions to benefit small businesses as well as a one-year extension of unemployment insurance which is currently set to expire February 28. The plan was shot down, however, by Majority Leader Reid who declared it "too bloated"

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and announced the Senate would instead vote on his pared-down, \$15 billion bill that would contain only four provisions: Build America bonds, extension of small business expensing (Sec.179), a one-year extension of the highway funding act, and the new hire tax credit proposed by Sens. Schumer (D-NY) and Hatch (R-UT). The Schumer-Hatch tax credit would provide a payroll tax holiday for businesses that hire people who have been unemployed for at least 60 days, excluding companies from paying the 6.2 percent of wages they would normally pay into the Social Security program. Employers would also get a \$1,000 tax credit for each employee they keep for at least a year, and money from the Treasury's general fund would be used to make up the short-fall to Social Security. While Republican leadership and Finance Committee members were tentatively on board with the Baucus-Grassley measure, it is unclear whether they will support Reid's approach.

HomeStar, meanwhile, continues to develop behind the scenes, with reports it may be included in the second bill in the Senate's "jobs" series. The latest draft elaborates on the requirements rebate aggregators would be required to meet and NLBMDA wants to make sure any system does not put small dealers at a disadvantage to the big box chains. NLBMDA continues to raise concerns with those drafting the legislation regarding the product criteria and contractor and quality assurance requirements, out of concern that too many complicating factors could limit the effectiveness of the program. NLBMDA believes an efficient, stream-lined program will enable all retailers, contractors and manufacturers to best participate and restore a meaningful amount of jobs in the housing supply chain.

Please [click here](#) to contact your members of Congress and urge them to support a HOME STAR program that is fair to all dealers. NLBMDA members with questions should contact Colleen Levine at colleen@dealer.org or Jeremy Stine at jeremy@dealer.org.

Early-Bird Registration for NLBMDA's Legislative Conference EXTENDED to Feb. 26!

Please visit the Legislative Conference official website by clicking [here!](#) Early-bird registration extended to Feb.12!

NLBMDA's Spring Meeting and Legislative Conference has been scheduled for March 15-17, 2010 at the Marriott Washington in Washington, DC. In addition to association committee and board meetings, the meeting will be restructured to include sessions with key congressmen and federal agency officials on topics

impacting the industry, including Tax Policy, Health and Safety Regulation and the EPA Energy Star Program. Noted political analyst Charlie Cook will be the featured speaker.

In addition, meetings will be set up between NLBMDA members and their congressmen and key federal agency officials to discuss NLBMDA's policy priorities in Washington. It will culminate with a reception for members of Congress and their staffs on Capitol Hill. Further, the conference will take place jointly with the North American Building Material Distribution Association and the Window and Door Manufacturers Association, providing a wealth of business networking opportunities.

NLBMDA would like to thank its sponsors for the event (as of Feb. 16):

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Companies interested in sponsorship opportunities should contact Mike O'Brien at mike@dealer.org.

Obama's Call to End LIFO Accounting

President Obama called for repeal of LIFO accounting in the budget he submitted to Congress on February 1, 2010. The item "Repeal LIFO method of accounting for inventories" is buried in summary table S-8 of the FY2011 Budget. [See page 16 of the Summary Tables](#). This accounting change is projected to decrease the deficit by \$22.9 billion from 2011-2015 and by \$59.1 billion from 2011-2020. The Senate Finance Committee is now considering health care reform and they are considering many "revenue options," i.e. tax increases, including LIFO repeal, to pay for or offset the additional Federal spending required to fund their health care reform proposals. Now the House Ways and Means Committee is also considering health care reform and will need to find tax revenue to fund their program expansions. It is worth noting that Ways and Means Chairman Charlie Rangel proposed LIFO repeal himself in a tax reform proposal he introduced in October 2007.

The LIFO Coalition, a group of over 120 trade associations of including NLBMDA, is working hard against repeal of LIFO. Members of the Coalition have been meeting with key members of the Senate Finance and House Ways & Means Committees to make the case against repeal.

NLBMDA members with questions may contact Colleen Levine at colleen@dealer.org or Jeremy Stine at jeremy@dealer.org.

Controversial NLRB Nominee Rejected in Senator Brown's First Cloture Vote

Newly-elected Massachusetts Senator Scott Brown (R) was sworn in Thursday, February 4, arriving just in time to guarantee defeat of White House nominee Craig Becker to the National Labor Relations Board (NLRB). Becker, a union lawyer, had been soundly opposed by the business community in light of his record of opposing employer rights in union organizing campaigns. With the opposition of all Republican senators and Democrats Ben Nelson (NE) and Blanche Lincoln (AR), his nomination failed by a vote of 52-33 (sixty votes were required for cloture). Fifteen senators were absent due to the weather.

Applications Now Being Accepted for NLBMDA

Blair Collings Internship

The application and background information for the 2010 NLBMDA Blair Collings Summer Internship in Government Affairs is now available by [clicking here](#). Applicants must have a high school diploma but not a four-year college degree at the time of the internship. Applicants must have attained at least 17 years of age but not more than 24 years, on or before June 1. Applicants must be the child or grandchild of a retail lumber and building material owner or employee. The company affiliated with the intern applicant must be a member of an NLBMDA federated association.

Applicants must be interested in the lumber and building material industry and have demonstrated this interest in one of several ways: part-time or full-time employment in a lumberyard; enrollment in an industry-related college curriculum; membership in an industry organization for young people; attendance at an NLBMDA conference; or verification from a sponsor that the applicant has firm plans to enter their business in the future.

The deadline for applications is March 19.

Help Support NLBMDA Legislative Action Fund by Donating an Item for Our Silent Auction!

Help support the important work that NLBMDA does every day in Washington on behalf of lumber dealers like you. NLBMDA's Legislative Action Fund is hosting a Silent Auction taking place during the NLBMDA Legislative Conference in Washington, DC from March 15-17, 2010. We are requesting that NLBMDA members consider donating an item to auction off during the event. Because the Legislative Action Fund is not a political action committee, corporate as well as individual contributions may be accepted. Help us ensure the success of this event - as well as continue NLBMDA's vibrant government affairs and political involvement programs - by supporting the Legislative Action Fund today! Please [click here](#) to donate.

Why Should I Join LuDPAC?

Every day in Washington, DC, politicians make decisions that directly impact your business. From advancing the Innocent

Sellers Fairness Act, to expanding small business' access to health insurance, to raising or lowering taxes - your perspective and involvement as a business owner can have a powerful impact on how your elected officials vote in Congress. LuDPAC provides an easy way for you to contribute personally to advance the building supply industry's agenda in Washington and help elect candidates who support lumber dealers. LuDPAC is required to have a prior approval form on file for each member before we may communicate with you. Please completely fill out [this form](#) and return it to LuDPAC today!

