

# ACEC North Carolina: Federal Advocacy Update

Matt Reiffer  
Vice President, Infrastructure Programs

July 26, 2025



# Agenda

- One Big Beautiful Bill
  - Tax policy wins
  - Energy and infrastructure provisions
- Transportation
- Water and Environment
- Workforce
- Federal Agencies Procurement

# One Big Beautiful Bill - Tax Provisions

- R&D deductibility permanently restored.
  - Firms with less than \$31 million in gross receipts can amend their 2022-2024 returns for retroactive relief.
  - Firms with more than \$31 million in gross receipts can speed up unused deductions from 2022-2024 on their 2025 or 2025 and 2026 returns.
- Interest deductibility permanently restored to earnings before interest, taxes, depreciation and amortization (EBITDA).
- Permanent full expensing for certain capital investments.

# One Big Beautiful Bill - Tax Provisions

- Section 199A permanently extended at 20%.
- Corporate rate retained at 21%.
- SALT cap increased from \$10,000 to \$40,000 (with annual adjustments) through 2029. The phaseout threshold for the increased SALT cap begins at incomes over \$500,000.
- Section 127 employer-provided education/student loan benefit permanently extended, and the \$5,250 limit is indexed for inflation going forward.

# Energy Provisions

- Tax incentive for wind and solar available for projects that begin construction within one year of the bill's enactment.
  - The Administration, and some on the Hill, seem focused on modifying current IRS Notices that govern various safe harbors determining the beginning of construction for wind and solar projects.
- New executive order signed 7-7-25:
  - Bolsters the early wind-down of the wind and solar tax incentive.
  - Focus on enforcement of beginning of construction.
  - Treasury directed to take action within 45 days to enforce the termination of this tax credit and report to the President.
  - Interior directed to review regulations and policies for any preferential treatment of wind and solar and report to the President.

# Energy Provisions

- Preserves tax incentive for clean hydrogen projects that commence construction by January 1, 2028.
- Tax incentives for advanced nuclear, geothermal, hydropower are preserved through 2032.
- Additional clarity added to the Foreign Entity of Concern (FEOC) restrictions, although future Treasury guidance expected.
- Carbon capture tax credit remains available as under current law – projects that begin construction before 2033 are eligible. The law applies FEOC rules to 45Q and creates parity between captured carbon utilized and carbon disposed of in geological storage.
- Section 179D retained for projects that begin construction by June 30, 2026.

# Infrastructure Provisions

- Provides \$12.5 billion for air traffic control facilities and equipment.
- Rescinds unobligated funding from the FHWA Low Carbon Transportation Materials grant program.
- Rescinds unobligated funding from the FHWA Neighborhood Access and Equity grant program.
- Drops the new user fees for EVs and hybrid vehicles for additional revenue into the Highway Trust Fund (could be revisited in surface transportation reauthorization).
- Rescinds all unobligated IRA funds for EPA programs.
- Creates a project sponsor opt-in fee for NEPA permitting equal to 125% of the expected cost to complete an EIS or EA.

# Transportation Infrastructure

- Infrastructure agenda driven by need to reauthorize federal surface transportation programs before September 30, 2026.
- House and Senate committees of jurisdiction are holding hearings on IIJA and receiving input from stakeholders on priorities.
- ACEC engaging with U.S. DOT:
  - Met with Secretary Duffy during Annual Convention.
  - Chair John Rathke participated in industry roundtable on reauthorization priorities.
  - Steve Lefton (Kimley-Horn) appointed to exclusive U.S. DOT Advisory Committee.

# Transportation Infrastructure

## Key ACEC Priorities:

- Sustain long-term funding commitments.
- Support provisions to equip public agencies to utilize lump sum contracting for engineering services, progressive D/B and IPD.
- Uniform procurement rules for all funding recipients.
- Facilitate more efficient local grant administration.
- Include water funding.

ACEC also closely monitoring legal challenges and potential changes to DBE program – Member Firm survey responses requested in Research Institute quarterly economic sentiment survey.

# Water & Environment

## State Revolving Loan Funds

- President's Budget proposed an 88% cut to the SRFs.
- House Appropriations Committee bill cuts \$680 million (15%) below FY 2025.

## PFAS Regulations

- EPA plans to proposes to continue to regulate PFOA, PFOS but roll back drinking water regs on other PFAS chemicals; delay compliance deadline.

## Resilience/BRIC Funding

- Awaiting FEMA announcement on new mitigation formula program.

# Workforce

- ACEC recently hired Molly Tuttle from AECOM to help drive our workforce program.
- Priorities:
  - Expanding STEM education investments.
  - Better aligning high-skilled immigration policies with a pro-growth economic agenda.
  - Extending the Section 127 student loan repayment benefit.
  - Working with industry partners through the Engineering Workforce Consortium to promote the essentiality of engineering and inspire students to pursue engineering careers.

# Procurement Policy

- Procurement Policy Changes
  - Protecting QBS in NDAA & ongoing Defense Acquisition Review against “a general preference for Other Transaction Authority”
  - FAR streamlining effort underway, with initial emphasis on products and technology; retain only what is mandated in statute.
  - Push to consolidate commodity goods/services through GSA.
- Ontario CA blocking U.S. firms through new policy restricting procurements with U.S.-based engineering firms.

# Questions?

**Matt Reiffer**

[mreiffer@acec.org](mailto:mreiffer@acec.org)

202-682-4308