

CONGRESS UTILIZES BUDGET RECONCILIATION PREPARES FOR SECOND ROUND

ISSUE

In March 2021, Congress passed a \$1.9 trillion COVID relief-focused legislative package using a procedural tool known as budget reconciliation. This process waives the typical 60-vote threshold in the Senate and allows the Chamber to approve legislation with a simple majority vote. Given the Democrats' control of the White House and the narrow majority in both the House and Senate, reconciliation enables the party to advance legislation without Republican support. That said, reconciliation has some limitations. It can generally only be used once per fiscal year, and this legislation can only contain provisions related to spending changes, revenues, and the federal debt limit. In the 115th Congress, Republicans used their first reconciliation package in an unsuccessful attempt to repeal the Affordable Care Act (ACA). However, they were successful in using their second reconciliation package to pass tax reform. NPGA expects the 117th Congress to move on their second reconciliation package later this year as a vehicle for tax and transportation policy priorities.

ACTION

NPGA remains focused on educating Congressional stakeholders on the propane industry's policy priorities for tax and transportation, as evidenced by repeated extensions of the Alternative Fuel Tax Credit and securing propane's inclusion in grant funding opportunities for refueling infrastructure in the House's most recent highway bill. The association continues to engage freshman offices, new staffers, and existing Congressional champions to position the propane industry for success during the next reconciliation package.

OUTLOOK

NPGA's recent focus on growing bipartisan support for the industry and propane applications will help ensure a more favorable outcome in the next reconciliation package. While reconciliation streamlines the legislative process, it does not guarantee passage of the proposed bill, as seen with the failed attempt to repeal the ACA in the 115th Congress. Additionally, there are several restrictions on what types of provisions Congress can include in a reconciliation package. Notably, Senate rules recently blocked attempts to raise the federal minimum wage to \$15 per hour in the \$1.9 trillion COVID package.

