

Update on PAC Disclosure Requirements

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Faxed to:

Chapter Executives

Executive Committee

PAC Contributors

Legislative Network

The Construction Legislative Week in Review

The Internal Revenue Service has now issued guidance regarding the new Section 527 organization disclosure law. Included in the IRS guidance is the Service's response to the question posed by AGC and other groups about how state political groups are affected by the new law. The IRS response is:

"Section 527 (i) does not except political organizations that file reports with state or local election agencies from the notice of status requirement. Therefore, unless the political organization meets one of the exceptions ...it must file form 8871 with the Service."

Political organizations are exempt from the filing requirements if they meet one of the following:

- They already file regularly with the Federal Election Commission (FEC);
- They reasonably expect annual gross receipts of less than \$25,000; or
- They are Section 501 (c) organizations that file form 1120-POL and are covered under section 527 (f) of the Internal Revenue Code (i.e. the pay taxes on investment income).

AGC will push for a legislative remedy to this unintended regulatory burden on state PAC's and other political organizations. For more information, contact AGC Congressional Relations or look under the Hot Topics section of www.agc.org.

Death Tax Bill to be Sent to President Clinton During the First Week of September: Most likely, the death tax repeal measure will be sent after September 5th. As previously reported, the President will veto this legislation.

Hours-of-Service Comment Period Extended Until December 15: The Federal Motor Carrier Safety Administration (FMCSA) is extending the comment period for a second time for hours-of-service comments. The FMCSA will also hold three roundtable discussions this fall on the proposed revisions to the rules that govern the number of hours commercial truck drivers can operate vehicles. The sessions are intended to permit additional discussion among different stakeholders and agency representatives with each roundtable session to focus on specific issues raised in the comments the FMCSA has received to date.

GOP Platform Supports Transportation Funding and is Critical of Hours-of-Service Proposal: The Republican Party platform, adopted during the Republican National Convention in Philadelphia, proclaims the Republican Party's support for transportation investment. Specifically, the platform supports the special budget mechanisms established in TEA-21 and AIR-21 to ensure that user fees paid by motorists and air travelers are invested in transportation infrastructure. Moreover, the document supports the same budgetary protections for other transportation trust funds. Furthermore, the platform stated that the new hours-of-service proposal would "cripple" the trucking industry. AGC submitted "A Platform for Building America" to both the Republican and Democratic platform committees, which included the transportation language adopted by the GOP.

Democratic Platform Emphasizes "Smart Growth": The Democratic platform calls for transforming "out-of-control sprawl to well planned smart growth." Toward that end, the platform calls for tax credits for state and local bonds to build

more livable communities, which includes acquiring and preserving new lands. The platform also calls for more high-speed rail systems and more money to expand Amtrak routes.

Appropriations Summary Sent to Chapters on August 15. AGC sent an extensive appropriations summary to all AGC chapters on August 15. The document is also available on www.agc.org in the legislative area. The document provides the funding levels for construction programs and other highlights in the thirteen annual appropriations bills for Fiscal Year 2001 thus far.

Action requested: Urge your Senators to support a provision to prevent designations of the eight-hour ozone standard before the Supreme Court has ruled on the standard's validity. In September, the Senate will consider the VA/HUD Appropriations legislation. The United States Court of Appeals District of Columbia Circuit has struck down this standard twice, but failed to prevent EPA from designating these areas by June 30, 2000. EPA has subsequently appealed to the Supreme Court in an attempt to overturn these rulings. Counties designated to not be in attainment of this standard will be in jeopardy of losing much needed highway projects that would actually improve air quality emissions. Requiring EPA to wait for the results of this case ensures states are not penalized by a standard that is at this time invalid.

New AGC Environmental Newsletter Available: The *Environmental Observer* is now available. To preview this new publication go to the AGC website (www.agc.org). A monthly publication, the *Observer* will provide up to date environmental regulatory, legal, and legislative information. Subscription forms can be found on the AGC website, also. Utilize "Congress At Your Fingertips" Located in the Member's Only Section at www.agc.org to contact your Congressional Representatives.

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