



U.S. Chamber Federal Update

2026 CPO Winter Conference

January 28, 2026



U.S. Chamber of Commerce

Great Lakes Regional Office

(IL, IN, MI, OH, PA, KY)

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What can we help with?

- Federal Policy and Legislative Updates
- Chamber Advocacy Training
- Members of Congress and Staff
- DC Fly-ins
- Connect with U.S. Chamber Experts
- Engage with U.S. Chamber Programming



State of American Business 2026

America 250 – Semiquincentennial

Where were we in 1976?

Where are we now?

A year for choosing

The State of American Business is ***Fearless***



U.S. Chamber of Commerce



2025 Review

Executive Orders

- Reciprocal Tariffs
- DOGE & Government Reforms
- Immigration (birthright citizenship, border security, refugees, H-1Bs, etc.)
- Energy (offshore wind, nuclear, EV mandate, etc.)
- Artificial Intelligence

22 Congressional Review Act Resolutions

The One Big Beautiful Bill Act

Record 43-day Government Shutdown

Mid-cycle Redistricting

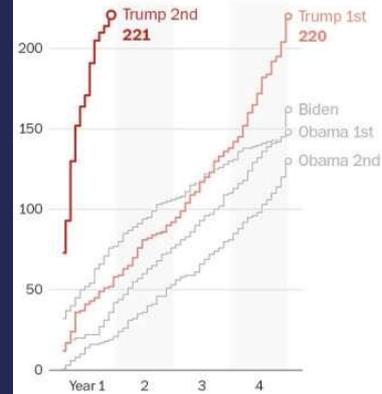


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Trump's second-term executive orders signed surpasses his first term total in one year

Cumulative executive orders signed by presidential term



Data as of Dec. 15.

Source: Federal Register

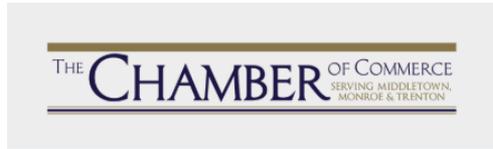
NICK MOURTOUPALAS/THE WASHINGTON POST





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How Businesses Would Be Impacted If Tax Cuts Expire



The One Big Beautiful Bill Act

Avoids \$4.5 trillion tax hike

Permanent tax policy provides certainty

- Lower income tax rates – extended & permanent
- 199A (20% QBI deduction) – extended & permanent
- 21% corporate rate maintained
- R&D expensing – extended & permanent
- 100% bonus depreciation – extended & permanent
- Section 179 expensing – expanded to \$2.5 million
- Net interest deduction – extended & permanent
- Enhances childcare tax credit (45F)
- Student loan repayment – permanent

Tax Foundation Analysis:

- Tax hike avoided for 62% of tax filers in 2026
- Average tax cut per taxpayer (nationwide): \$3,752
- Average tax cut per taxpayer (Ohio): \$3,175



OBBBA – Workforce highlights

Employer-Provided Child Care Credit (45F)

- Credit percentage increases from 25% to 40% (50% for eligible small businesses).
- Maximum credit increases from \$150,000 to \$500,000 (\$600,000 for small businesses).
- Expands qualified expenditures to include third-party intermediaries.

Dependent Care Assistance Program (DCAP) / Flexible Savings Accounts (FSA)

- Increases pre-tax set-asides for employees to cover caregiving expenses (\$5K -> \$7,500)

Telehealth and Health Savings Accounts (HSAs)

- Permanently allows HSA eligible plans to cover telehealth – retroactive to Jan 1, 2025

Student Loan Repayment

- Permanently allows employers to contribute up to \$5,250 for employee student loans, tax free. Amount indexed to inflation.

Paid Family & Medical Leave

- Makes permanent tax credit for small businesses that provide paid FML (12.5%-25%).
- Expands eligible expenses to include insurance premiums.



20% Pass-Through Deduction Impact

49.5%

Ohio's percentage of private-sector employment at pass-through businesses.

831,060

The number of Ohio taxpayers that claimed the deduction in 2020.

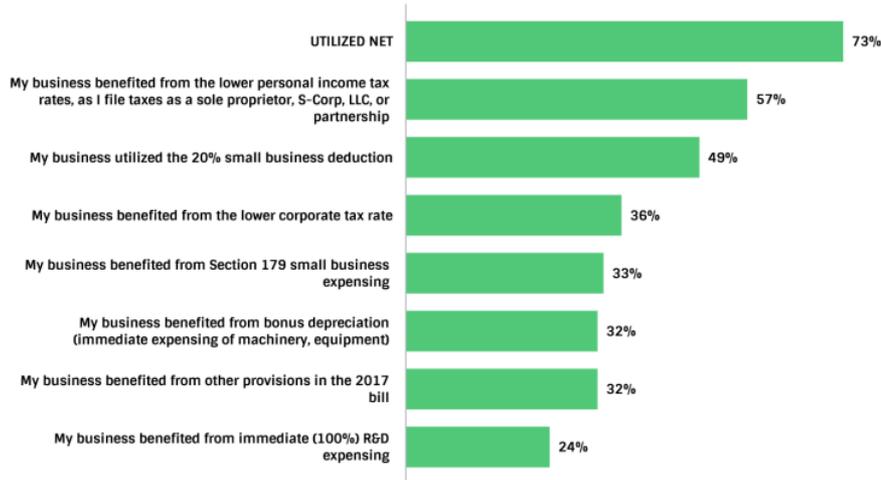
\$6,157,059,000

The collective tax benefit of this deduction in Ohio

Pass-through
businesses are
critical for Ohio



Nearly Three In Four Small Businesses Utilized The 2017 Tax Cut Provisions



Q17. What tax provisions did your business utilize from the 2017 Trump Tax Cuts (Tax Cuts and Jobs Act)?

- 73% of small businesses utilized at least one provision from the 2017 Tax Cuts and Jobs Act.
- 57% benefited from *lower personal income tax rates as pass-through entities*.
- 49% used the *20% small business deduction*.
- 36% gained from the *lower corporate tax rate*.
- 33% took advantage of *Section 179 expensing for small businesses*.
- 32% used *bonus depreciation for immediate expensing of equipment*.
- 24% utilized *immediate (100%) R&D expensing*.
- Another 32% benefited from other provisions in the bill.



How to Take Advantage of the

New Tax Law

1 Permanently Claim the 20% Qualified Business Income (QBI) Deduction

2 Immediately Deduct Qualifying Research & Experimental (R&E) Expenses

3 Leverage Increased Section 179 Expensing

4 Take Advantage of Enhanced Qualified Small Business Stock (QSBS) Exclusion

5 Maximize the Enhanced Employer-Provided Child Care Credit

Quick Checklist

- ✓ Confirm QBI deduction eligibility and amount.
- ✓ Identify and deduct all domestic R&E expenses; review past years for refund opportunities.
- ✓ Maximize and plan for section 179 expensing.
- ✓ Review QSBS eligibility when raising capital or investing.
- ✓ Assess and implement employer-provided child care benefits; claim enhanced credits.
- ✓ Talk with tax advisor about no tax on tips and overtime for your employees.



Does the new law help grow your business?

Tell us how.

A Step-by-Step Guide for Small Businesses

Learn More & Download the U.S. Chamber's Small Business Tax Guide at:

www.uschamber.com/assets/documents/Small-Business-Guide-to-New-Tax-Law.pdf

Trade Snapshot

International trade supports more than

41 million

American jobs

International companies investing in the U.S. support nearly

8 million

American jobs

Compensation for jobs tied to trade averages

18%

higher than other jobs



Nearly half of U.S. manufacturing output is exported to customers abroad



More than

97%

of the nearly 300,000 American companies that export are small and medium-sized businesses.

U.S. trade agreement partners represent just 6% of the world's population.



Those partners buy nearly half of all U.S. exports.



1 in 4 acres

on American farms is planted to feed hungry customers overseas.



Trade Means Growth for Ohio

International trade—exports and imports of goods and services—supports 1.4 million jobs in Ohio, or about 1 in 5 total jobs in the state.

Top Markets for Ohio Exports, 2023 (millions of dollars)

Country	Goods	Services	Total
Canada	\$21,318	\$2,515	\$23,833
Mexico	\$8,366	\$1,238	\$9,603
China	\$3,625	\$1,346	\$4,971
United Kingdom	\$1,728	\$2,862	\$4,590
Japan	\$2,219	\$1,163	\$3,383
Other	\$18,968	\$16,507	\$35,475

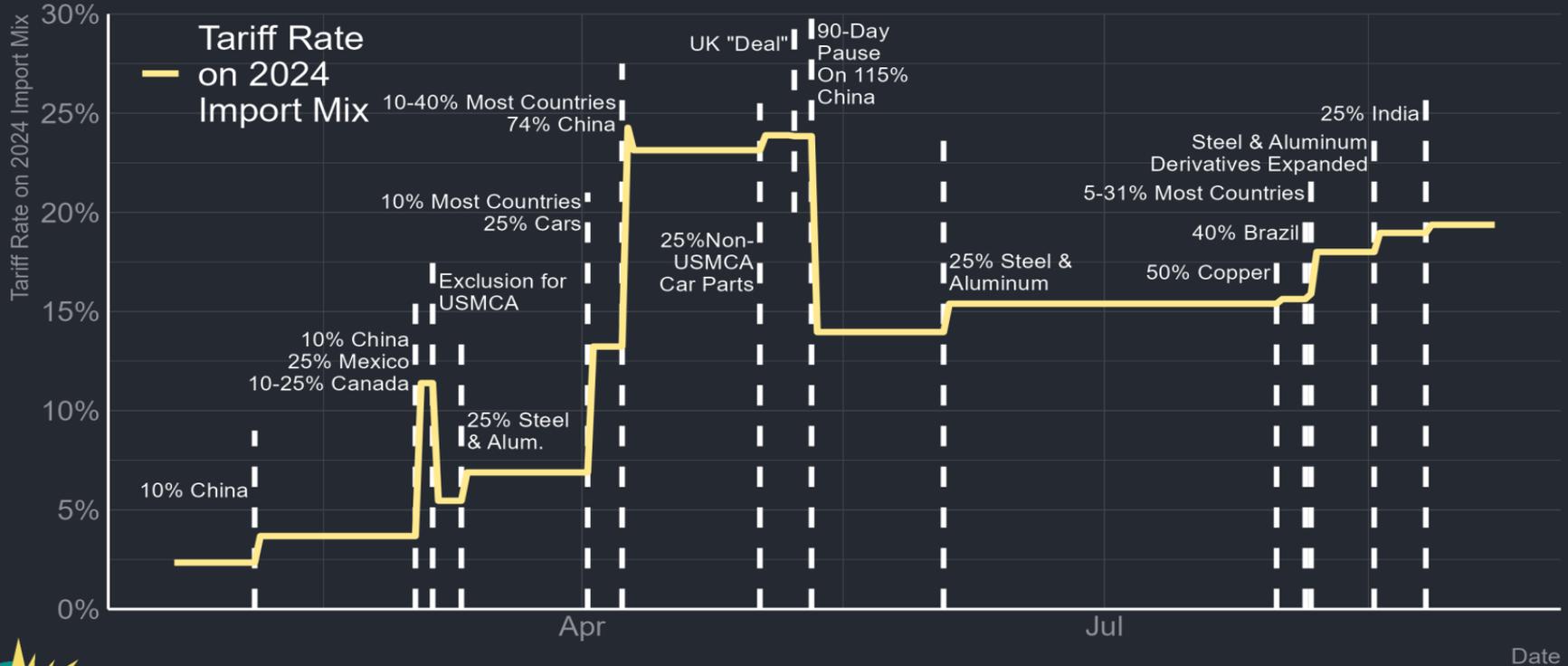
Top Goods and Services Exports from Ohio, 2023 (millions of dollars)

Sector	Exports
Transportation Equipment	16,075
Financial Services	8,959
Chemicals	8,831
Machinery	6,561
Travel Services	4,273
Fabricated Metal Products	3,544
Other	33,612

Ohio companies exported \$82 billion in goods and services in 2023 to more than 200 markets around the world.

A Timeline of Trump's 2nd-Term Tariffs

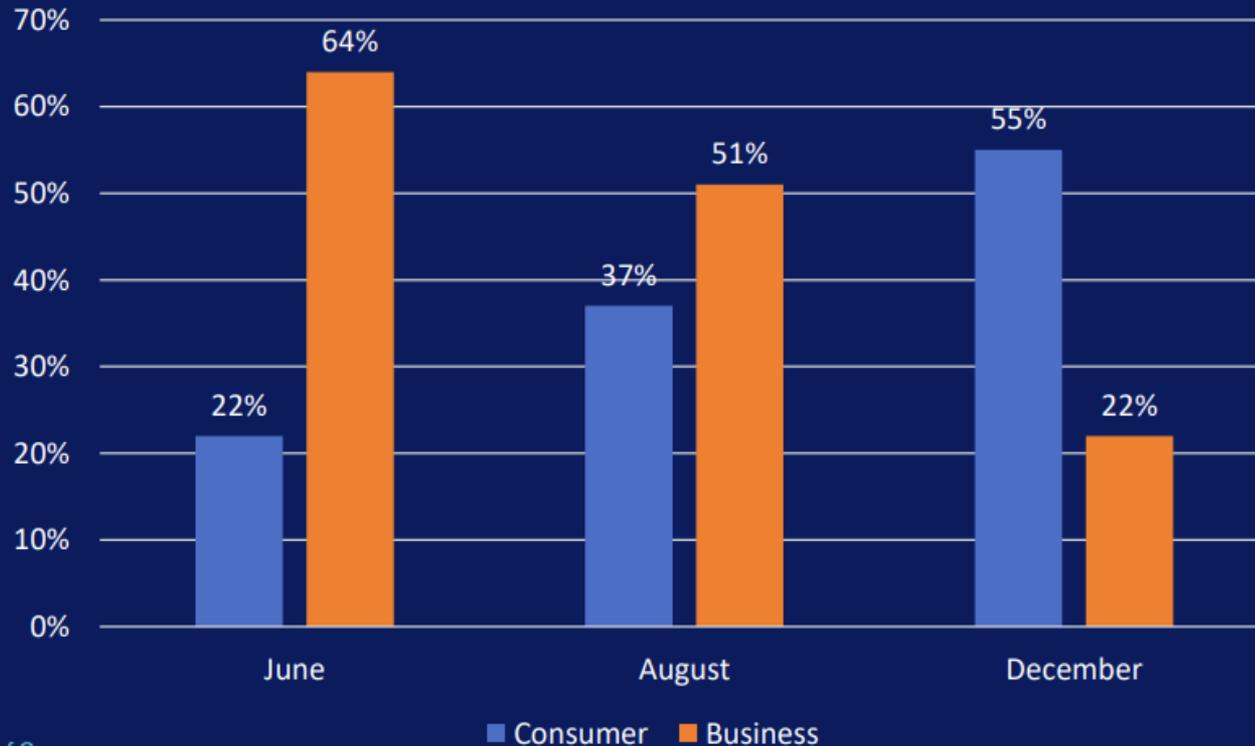
In His 2nd Term, Trump Has Imposed Tariffs On Trillions of Dollars in US Trade



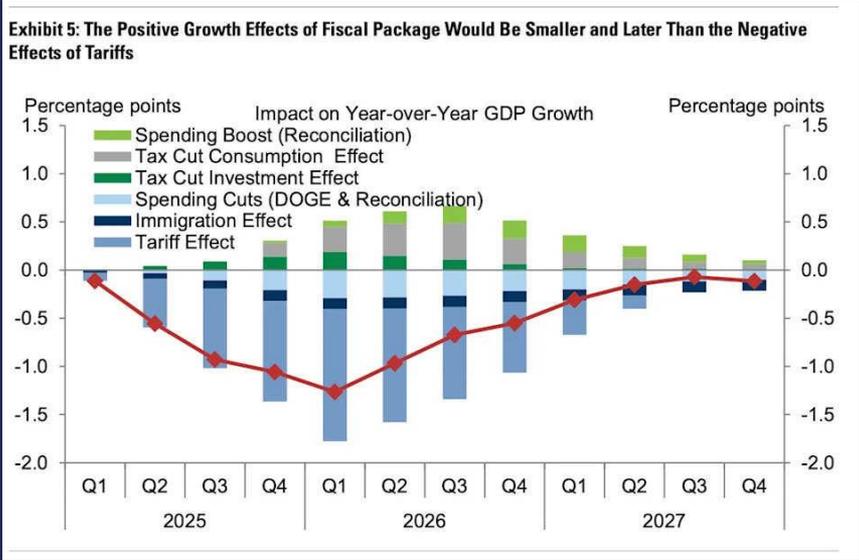
Graph created by @JosephPolitano using US Census data.

Tariff Costs Continue to Move to Consumers

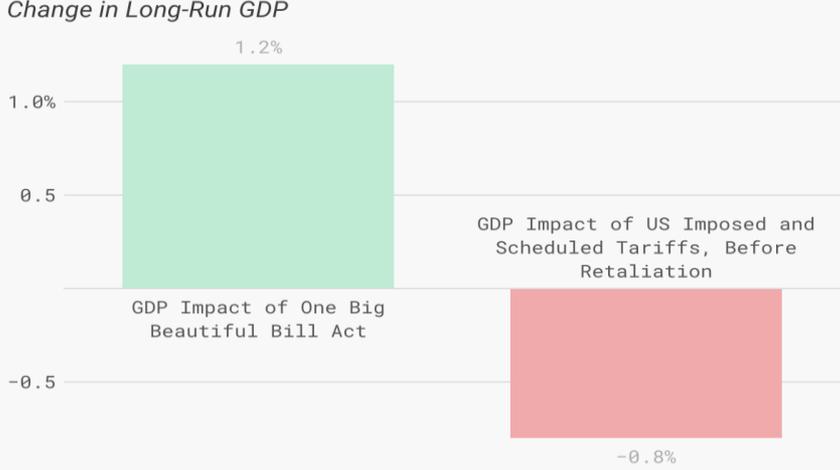
Division of Tariff Costs



Tariffs drag on economic growth



Trump Tariffs Would Undermine the Economic Growth from the One Big Beautiful Bill Act



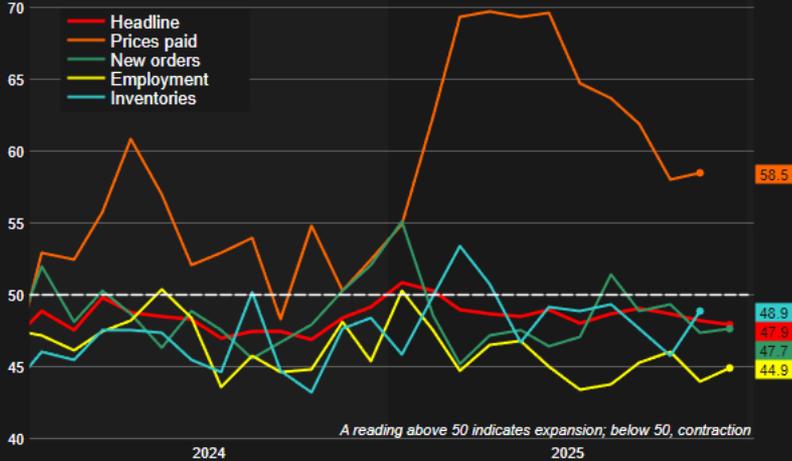
Source: Tax Foundation General Equilibrium Model, July 2025.



Tariffs drag on economic growth

ISM Manufacturing PMI: a breakdown

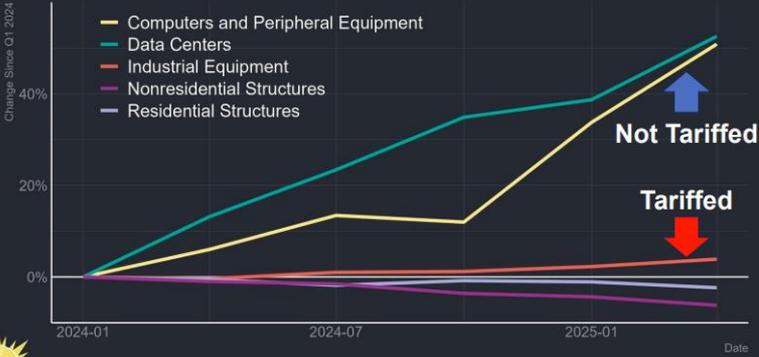
Headline and select components



Source: LSEG Datastream — Reuters graphic/Stephen Culp 05/01/2026

Real Fixed Investment, Growth Since Q1 2024

Computer Investment Has Grown Significantly Since the AI Boom, But Others Are Struggling



Graph created by @JosephPolitano using BEA data



Tariffs contribute to economy uncertainty

Where things stand in January 2026:

- Uncertainty
- Strong GDP growth in Q2 and Q3 (3.8% and 4.3%)
- Softening labor market vs. sticky inflation
- Manufacturing contraction continues
- Low consumer confidence and expectations
- Small businesses cautiously optimistic
 - Top concerns: inflation; tariff policy; U.S. political environment; workforce quality
 - Small business & local economy vs. national economy
 - NFIB: 13% of small business owners believe now is a good time to expand.

Consumer Confidence Index: 51 (2nd lowest ever recorded)



Consumer Future Outlook on U.S. Economy: -45 (lowest ever recorded)



What to expect in 2026

Current CR expires – January 30

ACA enhanced tax credit extension?

Permitting reform?

Housing package?

Reconciliation Part II?

Key Supreme Court decisions – first half of 2026

USMCA joint review – July 1

Surface Transportation Funding expires – September 30

FY 2026 funding expires – September 30

Foreign policy wildcards – Venezuela, Greenland, Iran, Ukraine, China, etc.



Permitting & Infrastructure

Permit America to Build

- Permitting Reform Coalition Letter
 - 530 signatories
- Permitting Day of Action – Jan 7
- SPEED Act passed 221-196 on Dec. 18
- PERMIT Act passed 221-205 on Dec. 11

Move America Coalition

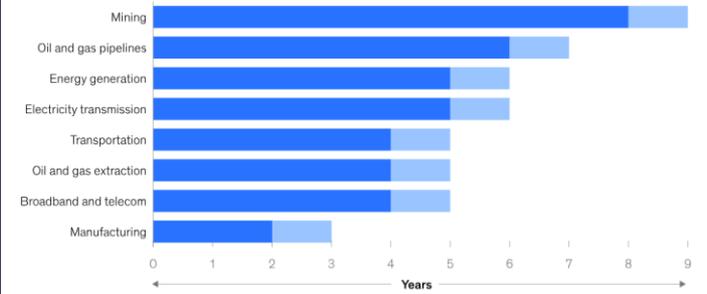
- 1. Maintain robust road & transit funding – at or above IJA levels**
 - 2. Fix the Highway Trust Fund:** Maintain user fee that supports predictable funding
 - 3. Modernize project delivery & permitting process:** Accelerate and maximize public investment
 - 4. Enhance safety, efficiency, and reliability of our transportation network**
- Hosting series of infrastructure roundtables around the country



U.S. Chamber of Commerce

Weighted average permitting time for projects varies by sector.

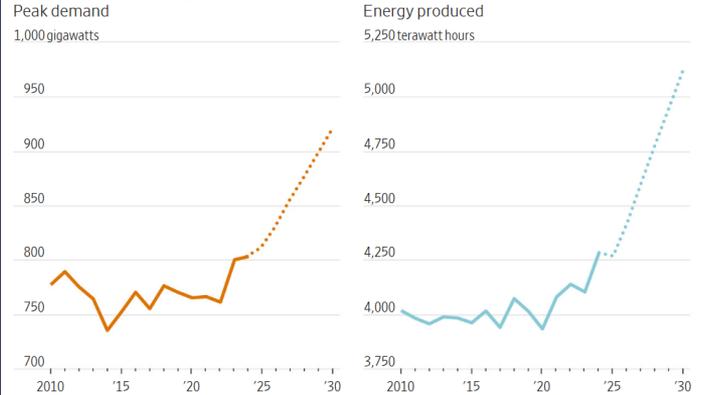
Average permitting time, by industry sector, 2025, years (range)



Source: BLM NEPA National Register; Breakthrough Institute; Columbia University; USFS NEPA Database; Council on Environmental Quality; EIS Length database; Federal Permitting Dashboard; Federal Permitting Improvement Steering Council; Baseline Performance Schedules; Federal Register; Section 404 Permits; Government Accountability Office; Federal Energy Regulatory Commission; NOAA; EFH Consultation; PNAS; Stanford University; University of Utah

ICF: U.S. electricity demand to increase 25% by 2030

Growth in U.S. Energy



Source: ICF analysis of NERC ES&D, ISO, RTO and Utility IRP data
Danny Dougherty/THE WALL STREET JOURNAL

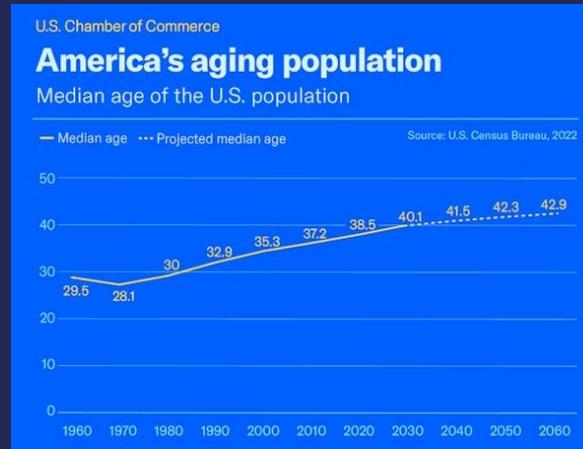
America Needs an Immigration System that works

U.S. Chamber Immigration Priorities:

- Border Security
- Asylum Reform
- Meet workforce demands by expanding visa access
- Improve visa processing times
- Legal certainty for Dreamers and undocumented

Ohio Workforce

- 275,000 job openings; 269,297 unemployed
- 98 unemployed workers for every 100 job openings



Political Preview



U.S. Chamber of Commerce



Disruption and Uncertainty Continue

1960-1998

Just seven out of twenty elections resulted in a change of control in the White House, Senate, or House.

2000-2024

Eleven of the last thirteen elections produced a change in control in the White House, Senate, or House.

President George H.W. Bush ('88) was the last new administration that did not have unified control of government.

2024

The 119th Congress represents the first time in modern American history that a party with unified control has a slimmer majority in the House than the Senate.

- Unified Democratic Control
- Unified Republican Control
- Divided Control
- Senate started 50/50 then changed to D
- Status Quo

1960 P	1962	1964	1966	1968 P	1970	1972	1974	1976 P	1978
S 1980 P	1982	1984	S 1986	1988	1990	1992 P	H and S 1994	1996	1998
2000 P	S 2002	2004	H and S 2006	2008 P	H 2010	2012	S 2014	2016 P	H 2018
S 2020 P	H 2022	S 2024 P							



119th Congress: Republicans in Control of Washington



	White House	U.S. Senate	U.S. House	State Leg.	Governors
Before Nov. 5, 2024	Pres. Biden (D)	51 D – 49 R	212 D – 220 R * 3 vacancies	41 D – 56 R	23 D – 27 R
Current	Pres. Trump (R)	47 D – 53 R	213 D – 218 R * 4 vacancies	39 D – 57 R	23 D – 27 R
Net	R flip	R flip	D+1	R+1	No change

Presidential Job Approval



Trump 2nd Term

Approve 44%
Disapprove 53%



Biden

42%
53%



Trump 1st Term

40%
55%



Obama 2nd
Term

47%
48%



GWB 2nd
Term

40%
56%

Economy and inflation continue to drive voter concerns

What is the most important issue facing the country?

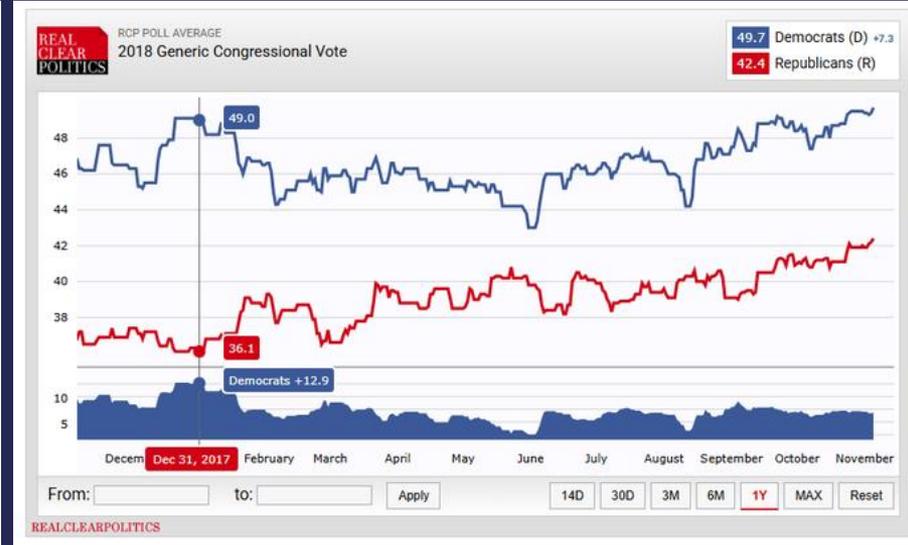
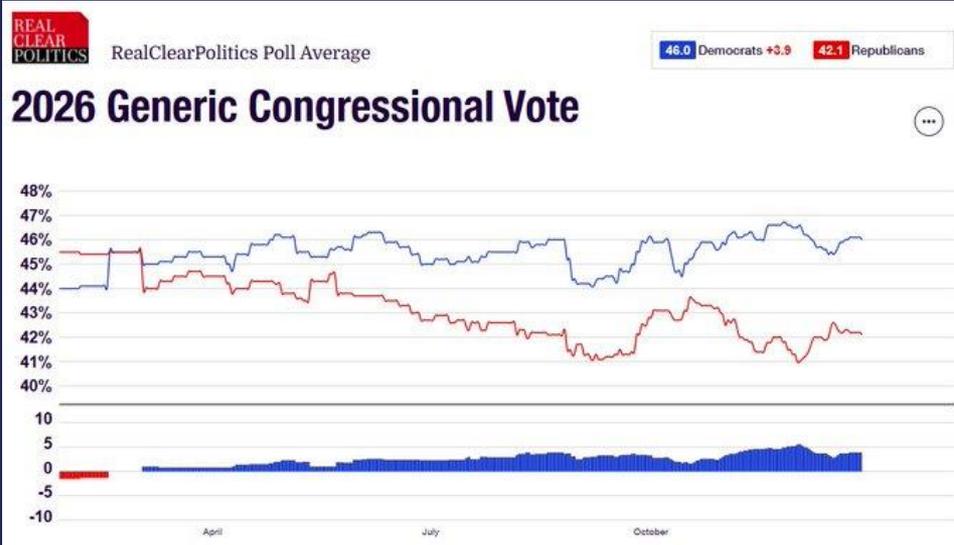
CBSYouGov Poll: Dec 17-19, 2025

- Economy/jobs and inflation account for half of Americans' top concerns.
- Democrats' top issues are health care (19%), followed closely by the economy/jobs (27%) and inflation (25%)
- Top issues among Independents are economy/jobs (32%)
- Republicans' top issues are inflation (23%) and immigration (23%)

	TOTAL	Democrats	Independents	Republicans
Economy and jobs	26%	27%	32%	20%
Inflation	23%	25%	19%	23%
Health Care	17%	29%	15%	10%
Immigration	13%	7%	10%	23%
Government spending	9%	5%	12%	10%
Crime	8%	4%	8%	11%
International/events overseas	3%	3%	4%	3%

Blue Wave in 2026?

Generic Congressional Vote: Dec 2025 (D +3.9) vs. Dec 2017 (D +12.9)



U.S. House

Retirements or Running for Other Seats

2026: 44 retiring or running for another office

2024: 67 Left or Lost

2022: 71 Left or Lost

2020: 57 Left or Lost

2018: 86 Left or Lost

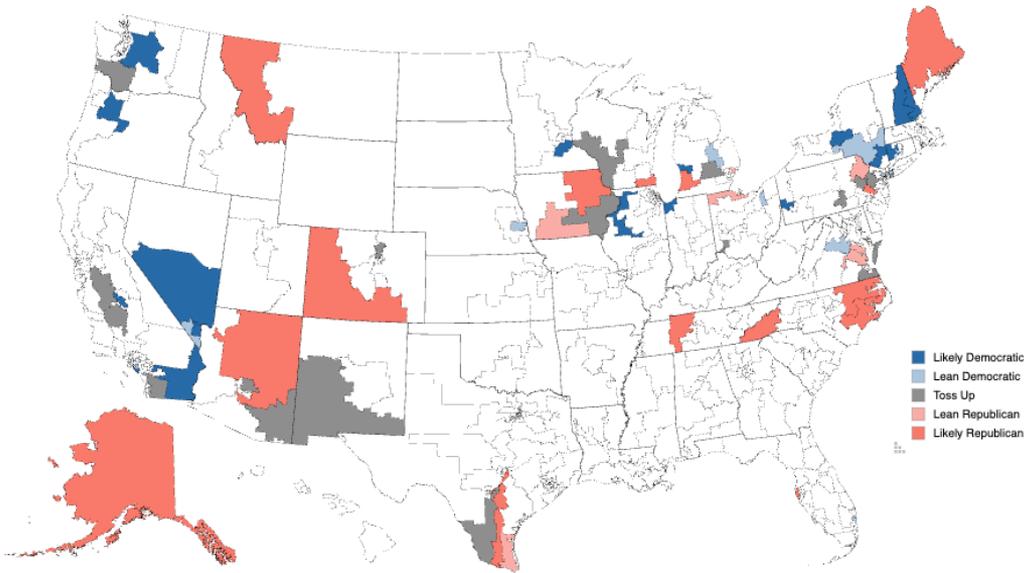
General Election Competition is Dying

In 2024, 38 races decided by five-points or less; 30 decided between 5.1-10%

14 Dem/Trump and three GOP/Harris districts

17 Toss Up seats to start the 2026 cycle (5 Dem and 12 GOP)

Toss Up/ Lean/ Likely House Districts



U.S. House

KEY REDISTRICTING HIGHLIGHTS

Republican Gains

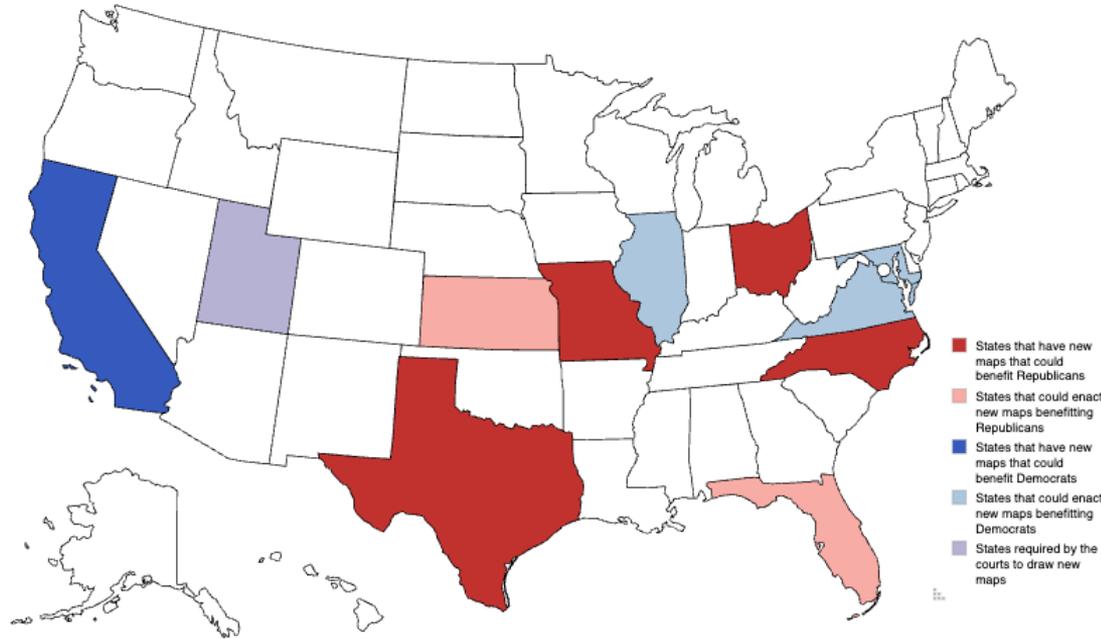
- TX: Done (+3-5 GOP)
- MO: Done (+1 GOP)
- NC: Done (+1 GOP)
- KS: Special Session (+1 GOP)
- OH: State Law 11/30 (EVEN to +3 GOP)

Democratic Gains

- CA: Done (+3-5 Dem)
- MD: Unlikely (+1 Dem)
- UT: Done (+1 Dem)

On the Horizon

- FL: Special Session Spring 2026 (Rep Advantage)
- IL: Special or 2026 (Dem Advantage)
- VA: Referendum 2026 (Dem Advantage)
- AL/LA: VRA Dependent



Thank you!

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