

# Lame Duck Agenda

With a historic election now behind us, the 118th Congress will return to work for a Lame Duck session to address must-pass items and for Senate Democrats to pass as many final judicial appointments as time and political will permits.

The must-pass items include the fiscal year (FY) 2025
National Defense Authorization Act (NDAA),
supplemental disaster relief funding and legislation to
fund the government beyond the expiration of the
current continuing resolution (CR) of December 20,
2024. Other expiring programs, such as the Farm Bill, are
more likely to be extended than reauthorized. The
biggest question for Republicans is whether to (1) pass as
many appropriations bills in the Lame Duck as possible to
clear the decks or (2) pass a new CR to kick the bills into
2025 when Republicans will control the House, the
Senate and White House. Ultimately, we expect House
and Senate GOP Leaders to settle on an appropriations
strategy with President Trump in very short order.

## FY 2025 Appropriations

Congress passed a CR to maintain government funding through December 20, 2024. The House and Senate are not expected to conference the FY 2025 appropriations bills, and depending on the election results, negotiations could be pushed into the next congress.

House Speaker Mike Johnson (R-LA) said not to expect a Christmas omnibus, adding that Congress is "not going to do any busses." The need for supplemental disaster relief funding in the wake of Hurricanes Helene and Milton could facilitate a year-end funding deal if Congress does not move a standalone supplemental bill. Ultimately, Congress is not likely to enact 12 individual appropriations bills, and may elect instead to move multiple "minibuses" in lieu of a large omnibus either before Christmas or in the first quarter of 2025.

#### Farm Bill

Chairman of the House Committee on Agriculture Glenn "GT" Thompson (R-PA) and Chairwoman of the Senate Committee on Agriculture, Nutrition and Forestry Debbie Stabenow (D-MI) are deadlocked over competing priorities, hindering progress on a new Farm Bill, despite a looming economic crisis in farm country. Among other differences, Democrats want to protect funding for nutrition and conservation programs, while Republicans aim to redirect those funds to support row crops, such as through increased reference prices and improvements to crop insurance.

The chances of an agreement during the Lame Duck session are rising, as the two sides have stepped up negotiations. Still, for now, chances of a full reauthorization remain low. If a new Farm Bill is not finalized by December 20, 2024, we anticipate another extension, coupled with an *ad hoc* emergency relief bill to support falling farm incomes.

### Health Care & Life Sciences

The 118th Congress has had a high volume of activity on health care issues by the committees of jurisdiction in both the House and Senate. Yet, few health bills have passed both chambers and been signed into law resulting in a large number of health-related bills awaiting potential action during the Lame Duck session. It remains to be seen how Congress will address the outstanding health items.

The issues positioned to be in the mix for further action include the BIOSECURE Act, pharmacy benefit manager (PBM) reforms, various health extenders (i.e., a two-year extension of the pandemic-era Medicare telehealth waivers, and extending the delay in hospital disproportionate share hospital funding cuts expected

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to go into effect in January), a temporary increase for Medicare physician payments and numerous bipartisan public health bills, such as the Pandemic and All-Hazards Preparedness Act (PAHPA) and Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act reauthorizations.

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#### **NDAA Reauthorization**

In September 2024, Senate Armed Services Committee (SASC) leaders filed a manger's package of 93 non-controversial amendments to the SASC-passed version (S. 4638) of the National Defense Authorization Act (NDAA), including annual authorization bills for the State Department, intelligence agencies and Coast Guard. Meanwhile, the House passed its version (H.R. 8070) of the NDAA in June.

As part of the conference negotiations with the House, the manager's package and S. 4638 will be combined, and while informal talks have begun in earnest between the two chambers, negotiations will intensify during the lame duck session to reconcile their differences. Matters related to new rules on outbound investment and efforts to curtail competition with China, including a ban on Chinese-made drones and restrictions on Chinese-based biotech companies, remain at the top of the list of items up for negotiation.

### Tax Agenda

The lame duck outlook in the tax space is trending towards lame. While there are numerous expired tax provisions that could be addressed—items such as research expensing, bonus depreciation, and interest deductibility limitations—it is likely that with a GOP sweep, Republicans will wait until 2025 to tackle their extension.

The high-water mark for the lame duck period will likely be limited to potential disaster tax relief for areas hit by recent natural disasters and potentially a Taiwan double-tax relief measure contained in Chairman Jason Smith (R-MO) and Chairman Ron Wyden's (D-OR) Tax Relief for American Workers and Families Act.