



ACEC Wins Major Tax Cut for Engineering Firms

ACEC and its industry allies scored an “impressive victory” in a year-long campaign to secure passage of a major tax cut that will benefit the engineering industry. The American Jobs Creation Act (H.R. 4520), provides a new, nine-percent tax deduction for A/E firms for income derived from projects in the US.

“This provision represents millions of dollars of direct benefit to ACEC members,” said ACEC Chairman Bill Howard. “This is what ACEC is all about. It is why we pay dues. It is why we support the PAC. This is indeed an impressive victory.”

The Jobs Act repeals a former tax benefit for US exporters-The Foreign Service Corporation/Extraterritorial Income Tax Inclusion (FSC/ETI)-and replaces it with new tax deductions for domestic enterprises that will be phased in over six years.

A year ago, the tax benefit was intended exclusively for manufacturing firms. ACEC however mounted an aggressive lobbying campaign to include A/E firms.

ACEC and its business allies also were successful in assuring that the

Tax Year	Deduction
2005	3%
2006	3%
2007	6%
2008	6%
2009	6%
2010 & beyond	9%

new tax deductions apply to both large corporations and small businesses (such as partnerships, S-corporations and LLCs).■

House Legislation to Curb “Junk” Lawsuits Potential for Tort Reform

The House of Representatives passed legislation that seeks to curb so-called “junk” lawsuits in a move that could set the stage for substantial progress on tort reform – a key ACEC legislative initiative when the new Congress convenes next January.

The Lawsuit Abuse Reduction Act (H.R. 4571) would establish mandatory sanctions for filing frivolous lawsuits in violation of Rule 11 of the Federal Rules of Civil Procedure. The Act would abolish Rule 11’s current “free pass” that allows lawyers to avoid sanctions by simply withdrawing frivolous claims

within 21 days after a motion for sanctions has been filed.

The measure also prevents so-called “forum-shopping” of cases by requiring that personal injury cases be brought only where the plaintiff resides, where the alleged injury occurred, or where the defendant’s principal place of business is located. Additionally, a “3 Strikes and You’re Out” provision is included that mandates a one-year suspension of a law license to practice in a federal court after a lawyer has filed three or more frivolous lawsuits in the same federal court.

“There are too many frivolous lawsuits in America,” said House Majority Whip Roy Blunt (R-MO). “Skyrocketing liability costs are shutting down small businesses and putting workers out of jobs. Lawsuit abuse also drives up prices for consumers.”■



Structural Steel Assembly

A question on the OSHA website – www.osha.gov

Question: Before installation of a bridge girder, a contractor welds a limited number of shear connectors (the minimum needed for a fall-protection system) on the top flange of the girder. Each shear connector is encapsulated by a split collar, a tee joint, and line post/anchor post (or a round pipe). These are designed to serve as supports for horizontal lifelines in a fall protection system. Is this a violation?

Answer: In this scenario, the spacing and height requirements for the supports

would essentially eliminate the tripping hazards. Since the shear studs will be encapsulated by a fall-protection anchor device, before the beam is erected, the provision in 1926.754(c)(1)(i) regarding shear connectors does not apply. 1926.754(c)(1)(i) does not apply when: (1) the shear connector studs are encapsulated by the line post or anchor post before erecting the member; and (2) the encapsulated studs serve as an integral part of the fall-protection system’s fixed anchor point.■



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