2025 POLICY PRIORITIES

Restore Pro-Growth Tax Policy

Pro-growth tax policies from the 2017 Tax Cuts and Jobs Act (TCJA) (P.L. 115-97) have allowed the U.S. metalcasting industry to use the savings from tax reform to grow their businesses, create jobs, raise wages, fund research and development, purchase new equipment, expand their facilities and invest in their communities. When manufacturing grows, the economy grows.

Here's what's a risk: Critical tax reform provisions have already begun to sunset, and more are set to expire at the end of 2025 – resulting in significant tax increases for virtually all manufacturers. Failing to preserve tax reform in its entirety will force employers to reduce investments here at home and undermine the industry's economic competitiveness.

House Passes Reconciliation Bill with Major Pro-Manufacturing Tax Provisions

The U.S. House of Representatives approved the sweeping reconciliation package, formally titled the One Big Beautiful Bill Act (H.R. 1), on May 22. It includes crucial American Foundry Society supported extensions and modifications of expiring 2017 TCJA provisions, protects the 21% corporate tax rate, repeals and modifies some of the Inflation Reduction Act (IRA) energy tax provisions and modifies rules for health insurance sold in the commercial market.

Key House Tax Provisions of Importance to U.S. Metalcasting Industry & Suppliers

- **Capital expenditures and investments:** Reinstates 100% expensing of capital equipment and technology purchases in the year they were acquired and put into service, also known as bonus depreciation, between Jan. 20, 2025, and before January 1, 2030. It would also expand the scope of qualified assets to cover new and refurbished manufacturing buildings.
- **Section 199a:** Increases and makes permanent the pass-through deduction for small and medium-sized manufacturers to 23% (from 20%), with restructured changes to the income limitations and thresholds.
- **Research and development:** Revives and extends immediate Research and Development (R&D) expensing incurred for tax years 2025–2029, reducing costs of research and supporting innovation across our sector.
- **Business interest:** Restores the TCJS's original, more favorable EBITDA-type calculation of the business interest deduction limit for tax years 2025 through 2029.
- **Estate planning:** Increases the estate, gift, and generation-skipping tax exemption amounts to $15 million, adjusted for inflation, and makes them permanent, protecting more family-owned manufacturers' assets from the estate tax.
- **Bonus Depreciation:** Increases the depreciation deduction rate to 100% for new capital equipment and technology acquired and placed in service after January 19, 2025,



Message to Congress

The U.S. metalcasting industry is a dynamic part of the U.S. economy, accounting for more than $110.52 billion in economic output and supporting over 490,000 jobs, when considering the direct and indirect impacts. Over 1,700 metalcasting facilities are operating in the U.S., with the vast majority, 75% as small businesses.

The American Foundry Society (AFS) encourages lawmakers to resist calls for higher business taxes as the Senate gears up to deliberate on the reconciliation package. Lawmakers can provide much needed relief and certainty that promotes manufacturing competitiveness by adopting the vital pro-growth policies. The longer we wait, the harder it is for metalcasters to make decisions based on tax policy for 2026. We want to see Congress move the package expeditiously so they can plan for investments, including equipment, and job creation.

House

Thank House Republicans and in particular members of the House Ways & Means Committee for championing pro-growth-oriented tax policies most critical to the metalcasting industry in the House reconciliation package.

Senate

Metalcasters urge the Senate to maintain the pro-manufacturing policies in the House reconciliation bill while continuing to work with manufacturers to ensure the final package is maximally effective at supporting manufacturing investment in the U.S.

For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

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Rebalance Regulations to Strengthen Manufacturing

Rebalancing regulations is critical to the U.S. metalcasters. They are facing unprecedented headwinds in the form of costly and unworkable regulations which divert capital from job creation, investment, and growth, harming metalcasters' ability to expand here at home and be competitive against our foreign competitors. This regulatory overreach stifles growth and innovation.

Background

Manufacturers are spending $350 billion each year to comply with federal regulations. The cumulative cost of regulations finalized during the Biden administration exceeded $1.8 trillion. This money could be spent on expanding factories and production lines, investing in new equipment, hiring new workers, or raising wages and benefits.

In response to the President's call for industry input on a new era of balanced, sensible and pro-growth regulations, the National Association of Manufacturers, in coordination with a coalition of companies and associations, including the American Foundry Society (AFS), submitted recommendations [1] to key federal agencies highlighting over three dozen burdensome and outdated regulations that are driving up costs and undermining manufacturing competitiveness.

Total Cost of Federal Regulations - Exceeds $3 Trillion Annually

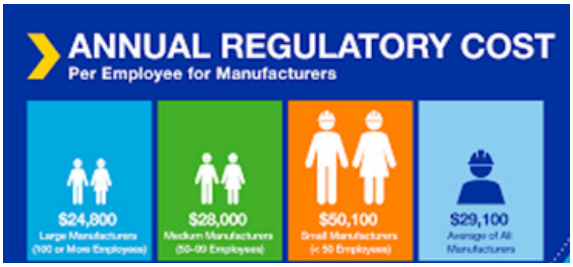
The annual cost of complying with federal regulations has risen by $465 billion since 2012 and now totals over $3 trillion in 2022 (12% of U.S. GDP) according to a study, the Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business. [2] In the manufacturing sector alone, companies now spend $350 billion to comply with the growing number of environmental, economic, tax, and occupational safety, health and homeland security regulations affecting their business operations.

The burden continues to grow year after year, undermining the bipartisan achievements from Congress that have prioritized manufacturing.

- The average manufacturer in the U.S. pays over $29,000 per employee per year for regulatory costs.
- Small U.S. manufacturers, or those with fewer than 50 employees, have estimated regulatory costs of $50,100 per employee per year, incurring the highest regulatory costs of all U.S. firms.

[1] NAM Letter on Executive Order 1421 to Office of Management and Budget, Regulatory Recommendations, April 17, 2025.

[2] The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business, by Nicole V. Crain and W. Mark Crain, October 2023.



Message to Congress

AFS strongly supports the Trump administration's efforts to rebalance manufacturers' regulatory burden and looks forward to continuing to work with the Administration and Congress to fix rules that cost too much, projects delayed since they are caught in red tape, hurt investment, and harm the manufacturing sector.

AFS is lobbying for regulatory improvement on numerous issues including those listed below that impact metalcasters in your state:

Environmental Protection Agency

Revised PM2.5 National Ambient Air Quality Standards (NAAQS) will Freeze Growth

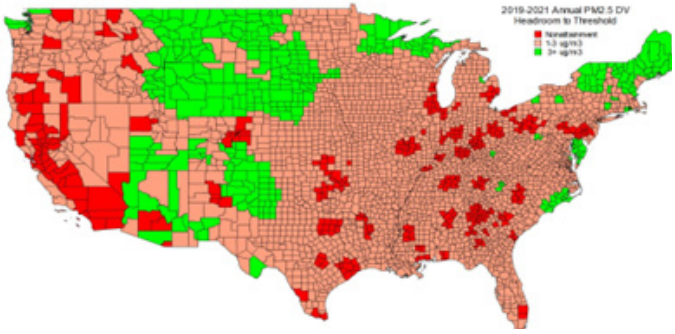
In March 2024, EPA issued its final rule lowering the National Ambient Air Quality Standards (NAAQS) for fine particulate matter (PM2.5) from 12 to 9.3 9.0 micrograms per cubic meter, a 20% reduction.

- This drastic revision will put thousands of manufacturers, including metalcasters, into nonattainment status. (See map below).
- Plants in nonattainment areas will likely face restrictions on production, bans on new facilities or expansions of existing facilities and increased regulatory oversight of facility operations and air permits.
- The unrealistic new standard is set at or below existing background levels of PM2.5 in many areas, even undeveloped rural lands.
    - Over 80% of PM2.5 emissions are from uncontrolled, nonpoint sources such as wildfires, unpaved roads, and bare agricultural soils.
    - Because of these uncontrolled sources, even eliminating all emissions from controlled stationary sources, such as metalcasting operations, would not achieve compliance with the new standard.
    - EPA has reported that since 2000, PM2.5 emissions have declined by 42%, driven by existing regulatory controls on emissions from stationary sources like metalcasting operations.
    - The lowered limit also puts the U.S. at a disadvantage to global competitors, which have adopted standards that are less stringent than the EPA rule and are phased in over a much longer time frame.
- Metalcasting serves supply chains critical to the U.S. economy and national defense. In the U.S., castings are used to produce 90 percent of all manufactured durable goods and nearly all manufacturing machinery, including products that are vital for national defense.
- The agency did not consider the tremendous costs and burdens and the unintended consequences that metalcasters will have to face to meet this new standard. In a study commissioned by the NAM, the revised standard could threaten nearly $200 billion of economic activity and put one million jobs at risk.

Status: The new stringent PM2.5 rule will hamstring metalcasters' ability to grow and meet customer demand, just when there is an uptick in reshoring—the lowered limit must be reversed. AFS appreciates the EPA's recent announcement that it plans to reconsider this standard and encourage the Administration to return the standard to 12. AFS' Environmental AFS's Environmental Committees will be actively engaged in the agency's process to revise to the PM2.5 standard.

Immediate Impact of $PM_{2.5}$ NAAQS at 9.0 µg/m³

New or expanded manufacturing projects may become too costly or unachievable in red/pink colored areas



Power Plant Rule Poses Risks to Economy by Threatening Electric Reliability and Raising Energy Prices

On April 24, 2024, the EPA finalized new stringent rules setting greenhouse gas (GHG) emissions standards for certain fossil fuel-fired power plants, including existing coal-fired and new natural gas-fired power plants.

- To avoid early shutdown, these plants are required to cut or capture 90% of their GHG emissions by 2032 using carbon capture and sequestration/storage (CCS) technologies on their facilities.
- Energy intensive industries, such as metalcasting, are concerned that this rule will threaten electric reliability and lead to unsustainable increases in energy prices, harming the economy as a whole on an already overtaxed national electric grid.

- The rule requires an unrealistic timeline for power plants to adopt technologies within the next 10 years that have yet to be proven at scale. New gas plants will be unlikely to be built, and coal plants will shut down prematurely - all as demand for electricity is skyrocketing.
- Given the growing demand for more electricity on the grid due to greater electrification and the growth of data centers, now is not the time to needlessly remove baseload generation from the grid, particularly affordable and reliable natural gas-fired generation.

Status: AFS appreciates the EPA's recent announcement that it is drafting a proposed rule and encourages the agency to work with industry to ensure future proposed GHG emissions standards do not again threaten grid reliability and baseload power generation.

Waters of the United States Definition

For decades, metalcasters have dealt with uncertainty around the definition of "waters of the United States (WOTUS)." Jurisdictional determinations for waters under the Clean Water Act impact manufacturers' ability to pursue projects.

- Despite the Supreme Court's decision in Sackett vs. Environmental Protection Agency, the EPA in 2023 promulgated a narrow, revised rule – notably without appropriate public input – which failed to fully grapple with the Court's decision, sowing further confusion.
- The Supreme Court was clear: a party asserting federal jurisdiction over wetlands must show an adjacent body of water constituting WOTUS and a continuous surface connection between the waters and the wetlands such that the two are indistinguishable.

Status: AFS applauds the EPA's March 2025 memorandum clarifying that wetlands must have a direct, unbroken surface water connection to qualify as WOTUS. The agency is reviewing the WOTUS definition and promulgating a new rule utilizing input from affected stakeholders. It aims to resolve inconsistencies in previous guidance, ensuring a uniform national approach for jurisdictional determinations and permitting. AFS looks forward to working with the agency to advocate for clear and consistent WOTUS definitions to avoid confusion and project delays.

U.S. Department of Labor

OSHA's Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings

On August 30, 2024, the Occupational Safety and Health Administration (OSHA) released its proposed rulemaking establishing an indoor and outdoor heat standard. The proposed rule would impose a one-size-fits-all approach on all manufacturers, despite the fact that companies across our industry have unique production processes and operate in different parts of the country.

- AFS has already submitted comments multiple times to OSHA and advocated that any heat standard must be flexible, performance-based and designed to accommodate for the variety of workplace conditions and employers' already-existing, effective heat illness prevention programs. Any final rule should provide maximum flexibility for employers and be performance-based.
- Compliance costs and administrative burdens, particularly for small businesses, have been underestimated in OSHA's analysis, and recordkeeping requirements should be minimized.
- More specific concerns include the feasibility of mandatory rigid rest breaks, acclimatization protocols, and heat monitoring.

Status: An AFS member will be testifying at an agency hearing in June and will request that OSHA reconsider its proposed heat rule and allow for further input from affected industry stakeholders before promulgating any new standard. AFS members are committed to maintaining safe work environments and have dedicated significant resources to protect employees from hazardous heat in the workplace. The proposed rule, however, is inflexible and creates burdensome requirements.

Message to Congress

AFS urges lawmakers to cosponsor and support passage of the Prove It Act of 2025 (H.R. 1163/S. 495) which would ease the regulatory burdens on small manufacturers. The Prove It Act of 2025 aims to improve transparency, accountability, and fairness in how federal regulations are developed — especially when it comes to small businesses. Key highlights of the bill:

- **Count All the Costs**

  Agencies would need to evaluate both direct and indirect costs of proposed rules on small businesses, encompassing compliance time, paperwork, and downstream impacts.

- **More Input from Small Businesses**

  The bill strengthens requirements for federal agencies to consult with small businesses earlier in the rule-making process.

- **More Accountability**

  Agencies would have to back up their claims that a rule doesn't significantly affect small businesses, and the Small Business Administration's Office of Advocacy would have the power to push back if those claims aren't supported by solid data.

Urge your House lawmakers to co-sponsor and support passage. Thank the following 14 House lawmakers for co-sponsoring.

Rep. Ken Calvert (R-CA-41)	**Rep. Nathaniel Moran (R-TX-1)**
Rep. Mike Carey (R-OH-15)	**Rep. Zachary Nunn (R-IA-3)**
Rep. Brad Finstad (R-MN-1) *	**Rep. Pete Stauber (R-MN-8)**
Rep. Michelle Fischbach (R-MN-7)	**Rep. Bryan Steil (R-WI-1)**
Rep. Mike Flood (R-NE-1)	**Rep. Maria Salazar (R-FL-27)**
Rep. Harriet Hageman (R-WY-At Large)	**Rep. Glenn Thompson (R-PA-15)**
Rep. Daniel Meuser (R-PA-9)	**Rep. Jefferson Van Drew (R-NJ-2)**

To cosponsor the Prove It Act of 2025 (H.R. 1163), contact:
Tyler Dunn, tyler.dunn@mail.house.gov, Office of Rep. Brad Finstad (R-MN).

To cosponsor the Prove It Act of 2025 (S. 495), contact:
Aaron Gottesman, Chief Counsel/Policy Adviser, aaron_gottesman@ernst.senate.gov, Office of Senator Joni Ernst (R-IA).

For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

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2025 POLICY PRIORITIES

Modernize America's Workforce Development System

In today's rapidly evolving economy, our nation needs an effective workforce-development system more than ever. AFS has identified 3 measures outlined below that will strengthen the U.S. workforce-development system and urges their enactment.

Background

As U.S. metalcasters adapt to shifting labor demands and adapt to technological advancements, effective workforce policies have become essential to ensuring economic opportunity.

U.S. manufacturers are struggling to fill open positions, with nearly 500,000 jobs unfilled as of April 2025, according to the Bureau of Labor Statistics. [1] Exacerbating the problem, the labor shortage is not restricted to the manufacturing sector alone, but also affects the supply chain that links materials, manufacturers, and markets.

Metalcasters continue to struggle to find workers with the requisite skills necessary to fill the available jobs, especially entry-level production positions, as well as skilled production workers including engineers and machine operators. This shortage is driven by a skills gap, a lack of applicants, and challenges in retaining talent. Nearly half of U.S. metalcasting companies reported that one of their top 3 challenges is attracting and retaining workforce talent, according to a survey conducted earlier this year by the American Foundry Society (AFS).

Additionally, the manufacturing workforce is aging, with an ongoing tidal wave of retirements in the coming decade. The Manufacturing Institute and Deloitte project a need for 3.8 million additional workers by 2033. [2] Their study finds that without significant changes, more than 5 in 10 or 1.9 million of these jobs could be left unfilled, underscoring the need for employee-focused strategies to keep up with growth.

To help to close the skills gap, U.S. metalcasters are prioritizing investments by strengthening workers' skills development, training, and technology. In addition, they are building partnerships with local vocational schools, educational institutions, metalcasting programs at universities, apprenticeship programs and AFS Institute programs to help attract younger talent and build a pipeline of skilled workers for the future.

AFS urges Congress to prioritize high-quality skills training, sector partnerships, and expanded outcome measures. Funding for programs including the Workforce Innovation and Opportunity Act (WIOA), Perkins Career and Technical Education (CTE), and apprenticeship programs should be maintained.



[1] U.S. Bureau of Labor Statistics, Job Openings: Manufacturing [JTS3000JOL], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/JTS3000JOL, May 26, 2025.

[2] "Taking charge: Manufacturers support growth with active workforce strategies," Manufacturing Institute and Deloitte, https://www2.deloitte.com/us/en/insights/industry/manufacturing/supporting-us-manufacturing-growth-amid-workforce-challenges.html, April 2024.

Message to Congress

House: AFS thanks lawmakers for including the following key provisions that enhance several educational assistance and workforce training programs to attract and retain manufacturing employees, in the budget reconciliation bill, known as "One Big Beautiful Bill Act" (H.R. 1) that passed the House of Representatives on May 22, 2025.

Senate: AFS urges the Senate to maintain these workforce and educational assistance programs and act swiftly on the passage of the budget reconciliation package.

Creates a Workforce Pell Grant Program Granting Eligibility to High-Quality Short-Term Workforce Programs

- Starting in the 2026–2027 award year, the new program would expand the Pell Grant eligibility to students enrolled in shorter high-quality job training programs career-focused training programs, which lead to industry-recognized credentials and certificates to advance their careers.
- Covers programs that are 150–600 clock hours in length over 8–15 weeks, Currently, the grants can only be used for programs with a 15-week minimum.
- To be eligible, programs must align with high-wage, high-skill, or in-demand occupations, have a 70% completion and job placement rate, and lead to a recognized postsecondary credential.

Expands Eligible Uses of Tax-Favorable "529" Savings Plans to Cover Costs Associated with Workforce Training and Credentialing Programs

- Sec. 110111 would expand the eligible expenses for 529 accounts to cover costs associated with post-secondary career or apprenticeship workforce training and credentialing programs.
- 529 plans would be expanded to help cover: certificate program tuition, including prep-courses, testing and examination fees, books and equipment, continuing education, certification renewal and other credentials, as well as other charges required to obtain and maintain a certification.
- Currently, only costs related to attending colleges, universities, vocational schools, registered ap prenticeship programs, K-12 private tuition or other post-secondary institutions are eligible 529 expenses.

Makes Permanent a Tax Break for Educational Assistance Programs

- Sec. 110113 addresses Section 127 of the Internal Revenue Code by providing a tax exclusion to the employee for up to $5,250 per year, paid or reimbursed by an employer, for qualified educational assistance, including tuition, mandatory fees, and books.
- The reconciliation bill makes the $5,250 tax limit on educational assistance payments permanent (it is currently scheduled to expire after 2025). It will also adjust for inflation after 2026.
  - It allows an employer to provide a tax-advantaged opportunity to support their employees' pursuit of education on a tax-free basis provided that certain requirements are satisfied.
  - The plan must be a written program established by an employer to provide educational assistance to its employees (which is defined, for this purpose, very broadly).

For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

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