113th Congress Legislative Agenda

Updated Aug. 16, 2013

AVMA’s Governmental Relations Division (GRD) advocates the Association’s policies and positions on federal legislative and regulatory issues that influence animal and human health and advance the veterinary medical profession. This document includes a list of key federal legislation, organized by issue area, which the GRD is monitoring for the 113th Congress.
# Table of Contents

Resources

AVMA’s Legislative Scoring System

AVMA Governmental Relations Division Contacts

Issue Areas

Appropriations

Animal Welfare/Human Animal Bond Issues

Aquaculture

Environmental/Conservation Issues

Farm Bill Reauthorization from 2013-2017

Food Safety

Pharmaceutical Issues

Public Health Issues

Research Issues

Small Business Agenda

Veterinary Workforce Issues

Veterinary School/Educational Issues

More Information
AVMA prioritizes how it will address bills or regulations when they are posed in Congress. The scoring system uses the following five rankings:

- **Active Pursuit of Passage** – This means that a high priority application of AVMA resources will be expended to pass the bill.
- **Support** – This means that AVMA supports the bill; however, it is not a high priority. A low priority application of AVMA resources should be expended on the bill. However, if asked, AVMA is on record for supporting the bill.
- **Non-Support** – This means that AVMA does not support the bill as written, and it is not a high priority. A low priority application of AVMA resources should be expended on the bill. However, if asked, AVMA is on record of not supporting the bill. If applicable and appropriate, AVMA may identify areas of the bill that would need to be changed for support of the bill to be a consideration.
- **Active Pursuit of Defeat** – This means that a high priority application of AVMA resources will be expended to stop the bill from becoming law.
- **No Action** – This means that AVMA has reviewed the bill, but has not taken a position. The Governmental Relations Division staff will continue to monitor the legislation and advise AVMA’s Legislative Advisory Committee should the legislation’s status change.

**AVMA Governmental Relations Division Contacts**

Below is the contact information for AVMA’s Governmental Relations Division staff:

- Dr. Mark Lutschauinig, director, 800-321-1473 ext. 3205, mlutschauinig@avma.org
- Gina Luke, assistant director, 800-321-1473 ext. 3204, gluke@avma.org
- Dr. Whitney Miller, assistant director, 800-321-1473 ext. 3211, wmiller@avma.org
- Dr. Ashley Morgan, assistant director, 800-321-1473 ext. 3210, amorgan@avma.org
- Victoria Broehm, communications manager, 800-321-1473 ext. 3213, vbroehm@avma.org
- Stephanie Fisher, program manager and policy analyst, 800-321-1473 ext. 3208, sfisher@avma.org
Issue Areas

Appropriations

Fiscal 2014 Agriculture Appropriations
AVMA prioritizes some programs administered by the U.S. Department of Agriculture (USDA) as “active pursuits of passage” and other programs as “support passage” during the Congressional appropriations process. The table below is a list of programs that the AVMA is actively pursuing federal funding.

<table>
<thead>
<tr>
<th>Program or Agency</th>
<th>2013 Sequestration Funding</th>
<th>AVMA Request Fiscal 2014</th>
<th>House Bill Fiscal 2014</th>
<th>Senate Bill Fiscal 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterinary Medicine Loan Repayment Program (VMLRP)</td>
<td>$4,400,000</td>
<td>$4,800,000</td>
<td>$4,790,000</td>
<td>$4,790,000</td>
</tr>
<tr>
<td>Animal and Plant Health Inspection Service (APHIS)</td>
<td>$756,200,000</td>
<td>$825,000,000</td>
<td>$803,538,000</td>
<td>$825,800,000</td>
</tr>
<tr>
<td>Food and Agriculture Defense Initiative (FADI)</td>
<td>$5,500,000</td>
<td>$9,980,000</td>
<td>$7,000,000</td>
<td>$5,988,000</td>
</tr>
<tr>
<td>Food Animal Residue Avoidance Databank (FARAD)</td>
<td>$926,000</td>
<td>$1,250,000</td>
<td>$1,250,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Animal Health and Disease Research</td>
<td>$3,740,000</td>
<td>$4,000,000</td>
<td>$4,000,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Agriculture and Food Research Initiative (AFRI)</td>
<td>$275,500,000</td>
<td>$383,400,000</td>
<td>$290,657,000</td>
<td>$316,500,000</td>
</tr>
<tr>
<td>Agricultural Research Service</td>
<td>$1,019,000,000</td>
<td>$1,124,000,000</td>
<td>$1,074,000,000</td>
<td>$1,123,000,000</td>
</tr>
</tbody>
</table>

Status: The fiscal 2014 agriculture spending bills await floor time in each chamber. The fiscal year ends Sept. 30, 2013.

AVMA Position: Active Pursuit of Passage
Primary Contact: Gina Luke

Animal Welfare/Human Animal Bond Issues

H.R. 366/S. 666, the Animal Fighting Spectator Prohibition Act of 2013
This legislation amends the Animal Welfare Act to prohibit any person from knowingly attending an animal fighting venture or causing a minor to attend such a venture. It sets civil and criminal penalties for violation.

language similar to H.R. 366. This language was included in the stripped down Farm Bill (H.R. 2642) that passed the House on July 11, 2013.

U.S. Sen. Richard Blumenthal (D-Conn.) introduced S. 666 on April 8, 2013, and it was referred to the Senate Committee on Agriculture, Nutrition, and Forestry. The Senate-passed Farm Bill—S. 954, the Agriculture Reform, Food and Jobs Act—incorporated language similar to S. 666. S. 954 passed the Senate on June 10, 2013.

**AVMA Position:** Active Pursuit of Passage  
**Primary Contact:** Dr. Whitney Miller

**H.R. 1094/S. 541, Safeguard American Food Exports (SAFE) Act of 2013**  
This legislation amends the Federal Food, Drug, and Cosmetic Act to prohibit the sale or transport of equines (horses and other members of the equidae family) or their parts (including flesh, meat, and viscera), and/or the importing or exporting of equines or their parts into or beyond the United States by any person who knows, or should have known, that such equines are to be slaughtered for human consumption as food.

**Status:** U.S. Rep. Patrick Meehan (R-Pa.) introduced H.R. 1094 on March 12, 2013, and it was referred to the House Committee on Energy and Commerce, Subcommittee on Health, and to the House Committee on Agriculture, Subcommittee on Livestock, Rural Development, and Credit. U.S. Sen. Mary Landrieu (D-La.) introduced S. 541 on March 12, 2013, and it was referred to the Senate Committee on Health, Education, Labor, and Pensions.

**AVMA Position:** Active Pursuit of Defeat  
**Primary Contact:** Dr. Whitney Miller

**H.R. 1518/S. 1406, Prevent All Soring Tactics (PAST) Act of 2013**  
This bill amends the Horse Protection Act (HPA) to designate additional unlawful acts with regard to the practice of soring horses. It also strengthens penalties for violations and improves USDA enforcement. Specific provisions include: defining an “action device” as any boot, collar, chain, roller, or other device that encircles or is placed upon the lower extremity of the leg of a horse; clarifying that the term “management” includes the sponsoring organization and the event manager; creating a penalty structure that requires horses to be disqualified for an increasing period of time based on the number of violations (from 180 days up to 3 years); requiring the USDA to license, train, assign and oversee inspectors who enforce the HPA; making the actual act of soring illegal and/or directing another person to cause a horse to become sore illegal; prohibiting the use of action devices on any limb of Tennessee Walking Horses, Spotted Saddle Horses, or Racking Horses at horse shows, exhibitions, sales or auctions; banning the use of weighted shoes, pads, wedges, hoof bands, or other devices that are not strictly protective or therapeutic in nature; increasing civil and criminal penalties for violators; requiring a period of time where show horses are banned from participating in shows, exhibitions, sales or auctions for one or more violations; and disqualifying violators permanently upon their third or higher violation.

**Status:** U.S. Rep. Ed Whitfield (R-Ky.) introduced H.R. 1518 on April 11, 2013, and it was referred to the House Committee on Energy and Commerce, Subcommittee on Commerce, Manufacturing, and Trade. On July 31, 2013, U.S. Sens. Kelly Ayotte (R-N.H.) and Mark Warner (D-Va.) introduced S. 1406 and it was referred to the Senate Committee on Commerce, Science, and Transportation

**AVMA Position:** Active Pursuit of Passage  
**Primary Contact:** Dr. Whitney Miller
**H.R. 183, Veterans Dog Training Therapy Act**
This bill directs the U.S. Secretary of Veterans Affairs to carry out a pilot program that will assess the effectiveness of using service dogs to assist post-deployment mental health and post-traumatic stress disorder symptoms in veterans with disabilities as part of their therapy. The legislation requires that such a program be carried out within the U.S. Department of Veterans Affairs’ medical centers, which can provide training areas to carry out the program.

**Status:** U.S. Rep. Michael Grimm (R-N.Y.) introduced H.R. 183 on Jan. 4, 2013, and it was referred to the House Committee on Veterans’ Affairs, Subcommittee on Health.

**AVMA Position:** No Action

**Primary Contact:** Dr. Whitney Miller

---

**H.R. 847/ S. 395, Puppy Uniform Protection and Safety (PUPS) Act**
This legislation amends the Animal Welfare Act to require the licensing and inspection of dog breeders who sell more than 50 dogs per year directly to the public. In addition, the legislation requires that dogs in commercial breeding facilities have the appropriate space and opportunity for daily exercise.

**Status:** U.S. Rep. Jim Gerlach (R-Pa.) introduced H.R. 847 on Feb. 27, 2013, and it was referred to the House Committee on Agriculture, Subcommittee on Livestock, Rural Development, and Credit. U.S. Sen. Dick Durbin (D-Ill.) introduced S. 395 on Feb. 27, 2013, and it was referred to the Senate Committee on Agriculture, Nutrition, and Forestry.

**AVMA Position:** Support

**Primary Contact:** Dr. Whitney Miller

---

**H.R. 1731/S. 820, Egg Products Inspection Act Amendments of 2013**
This legislation amends the Egg Products Inspection Act to provide a uniform standard for the housing and treatment of egg-laying hens. Provisions in the legislation include: directing a phase-in of required floor space and adequate environmental enrichments (known as “enriched colony housing”); placing a prohibition on how often farmers can withdraw feed and water to induce molting cycles in hens; setting the level of acceptable air quality as not more than 25ppm of ammonia; requiring the use of euthanasia methods that have been deemed “acceptable” by the American Veterinary Medical Association; setting labeling definitions that indicate the type of housing that the egg-laying hens were provided during egg production; and outlining the phase-in period for conversion to the new housing and enrichment standards.

**Status:** U.S. Rep. Kurt Schrader (D-Ore.) introduced H.R. 1731 on April 25, 2013, and it was referred to the House Committee on Agriculture, Subcommittee on Livestock, Rural Development, and Credit. U.S. Sen. Dianne Feinstein (D-Calif.) introduced S. 820 on April 25, 2013, and it was referred to the Senate Committee on Agriculture, Nutrition, and Forestry.

**AVMA Position:** Support

**Primary Contact:** Dr. Whitney Miller

---

**H.Res. 116, K-9 Veterans Day Resolution**
This resolution expresses support for the designation of a K-9 Veterans Day and for efforts to recognize the service of military working dogs and their handlers.

**Status:** U.S. Rep. Gary Peters (D-Mich.) introduced H.Res. 116 on March 26, 2013, and it was referred to the House Committee on Armed Services, Subcommittee on Military Personnel.
**AVMA Position:** Support  
**Primary Contact:** Dr. Whitney Miller

**Expected legislation:** To amend the Animal Welfare Act to provide for the protection of birds, rats, and mice, and for other purposes.
This legislation designates an "animal" in the Animal Welfare Act as a bird, a rat of the genus Rattus, or a mouse of the genus Mus, which is being used, or is intended for use, as a pet or for research, testing, experimentation, or exhibition purposes.

**Status:** This legislation has not yet been introduced.

**AVMA Position:** No Action  
**Primary Contact:** Dr. Whitney Miller

---

**Aquaculture**

**H.R. 584/S. 248, Genetically Engineered Fish Labeling**
This legislation amends the Federal Food, Drug, and Cosmetic Act to require labeling of genetically engineered fish

**Status:** U.S. Rep. Don Young (R-Alaska) introduced **H.R. 584** on Feb. 8, 2013, and it was referred to the House Subcommittee on Health. U.S. Sen. Mark Begich (D-Alaska) introduced **S. 248** on Feb. 7, 2013, and it was referred to the Senate Committee on Health, Education, Labor, and Pensions.

**AVMA Position:** Non-support  
**Primary Contact:** Dr. Ashley Morgan

---

**Environmental/Conservation Issues**

**H.R. 39, Multinational Species Conservation Funds Reauthorization Act of 2013**
This legislation authorizes appropriations to carry out the African Elephant Conservation Act, the Rhinoceros and Tiger Conservation Act of 1994, and the Asian Elephant Conservation Act of 1997 for fiscal 2014 through fiscal 2018. The authorized funds are used for the conservation of these species.

**Status:** U.S. Rep. Don Young (R-Alaska) introduced **H.R. 39** on Jan. 3, 2013, and it was referred to the House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans, and Insular Affairs.

**AVMA Position:** Support  
**Primary Contact:** Dr. Whitney Miller

**H.R. 262/S. 231, Multinational Species Conservation Funds Semipostal Stamp Reauthorization Act**
This bill would reauthorize the Multinational Species Conservation Funds Semipostal Stamp Act of 2010 for four additional years, which would allow for five more stamp depictions to be created, including an African or Asian elephant, a rhinoceros, a tiger, a marine turtle, and/or a great ape. Funds raised from the semi-postal stamp are used for conservation efforts.
**Status:** U.S. Rep. Michael Grimm (R-N.Y.) introduced **H.R. 262** on Jan. 15, 2013, and it was referred to the House Committee on Oversight and Government Reform, and to the House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans, and Insular Affairs. U.S. Sen. Rob Portman (R-Ohio) introduced **S. 231** on Feb. 7, 2013, and it was referred to the Senate Committee on Homeland Security and Governmental Affairs.

**AVMA Position:** Support

**Primary Contact:** Dr. Whitney Miller

---

**H.R. 996/S. 1153, Invasive Fish and Wildlife Prevention Act**

The goal of this bill is to establish an improved regulatory process that will prevent the introduction and establishment in the United States of nonnative or injurious wildlife and/or wild animal pathogens and parasites that are likely to cause harm.

**Status:** U.S. Rep. Louise Slaughter (D-N.Y.) introduced **H.R. 996** on March 11, 2013, and it was referred to four House committees, including: the House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans, and Insular Affairs; the House Committee on the Judiciary, Subcommittee on Crime, Terrorism, Homeland Security, and Investigations; the House Committee on Ways and Means; and the House Committee on the Budget.

**AVMA Position:** Nonsupport

**Primary Contact:** Dr. Whitney Miller

---

**H.R. 1328, Great Ape Conservation Reauthorization Amendments Act of 2013**

This bill authorizes congressional appropriations to carry out the Great Ape Conservation Fund for fiscal 2014 through fiscal 2018. It amends the Great Ape Conservation Act of 2000 to allow the awarding of multi-year grants. It requires the Secretary of the Interior to convene a panel of experts to identify the greatest needs and priorities for the conservation of Great Apes.

**Status:** U.S. Rep. George Miller (D-Calif.) introduced **H.R. 1328** on March 21, 2013, and it was referred to the House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans, and Insular Affairs.

**AVMA Position:** Support

**Primary Contact:** Dr. Whitney Miller

---

**H.R. 1329, Marine Turtle Conservation Reauthorization Act of 2013**

This bill authorizes congressional appropriations to carry out the Marine Turtle Conservation Fund for fiscal 2014 through fiscal 2018. It expands marine turtle conservation assistance under the Marine Turtle Conservation Act of 2004 to include the United States and its territories.

**Status:** U.S. Rep. Pedro Pierluisi (D-PR) introduced **H.R. 1329** on March 21, 2013, and it was referred to the House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans, and Insular Affairs.

**AVMA Position:** Support

**Primary Contact:** Dr. Whitney Miller
Farm Bill Reauthorization from 2013-2017


The Farm Bill is a comprehensive bill that deals with federal policy for U.S. agriculture, including all programs and issues that are under the purview of the U.S. Department of Agriculture. AVMA’s primary focus centers on programs that are administered by the Animal and Plant Health Inspection Service (APHIS) and the National Institute of Food and Agriculture (NIFA). Click here to review AVMA’s chart outlining key provisions of interest for 2013.

Background: The American Tax Relief Act of 2012 (Public Law 112-240) provided for a nine-month extension of the 2008 Farm Bill. Congress must pass a new Farm Bill by Sept. 30, 2013, or it will need to extend the 2008 bill again.

Status: House Agriculture Committee Chairman Frank Lucas (R-Okla.) introduced H.R. 1947 on May 13, 2013, and it was defeated in the U.S. House by a vote of 195-234 on June 20, 2013. Following the bill’s defeat, the House split the bill, dropping the language for the nutrition title while retaining all of the other agriculture-related provisions. Rep. Lucas introduced the new bill as H.R. 2642, the Federal Agriculture Reform and Risk Management (FARRM) Act of 2013, on July 10, 2013, and it passed the U.S. House by a vote of 216-208 on July 11, 2013. In September 2013, following a five-week recess, Chairman Lucas and GOP leadership will unveil legislation on the nutrition title that will cut $40 billion over 10 years from food stamps.


AVMA Position: Active Pursuit of Passage
Primary Contact: Gina Luke

Food Safety

H.R. 1313/S. 632, To amend the Food, Conservation, and Energy Act to repeal a duplicative program relating to the inspection and grading of catfish

This bill repeals a provision within the Food, Conservation, and Energy Act of 2008 which establishes an inspection and grading program within the U.S. Department of Agriculture for catfish and other species of farm-raised fish. The provision has been in effect since the enactment of the Act. The Food and Drug Administration currently inspects all commercial seafood.

Status: U.S. Rep. Vicky Hartzler (R-Mo.) introduced H.R. 1313 on March 21, 2013, and it was referred to the House Committee on Agriculture, Subcommittee on Livestock, Rural Development, and Credit. U.S. Sen. John McCain (R-Ariz.) introduced S. 632 on March 21, 2013, and it was referred to the Senate Committee on Agriculture, Nutrition, and Forestry.

AVMA Position: No Action
Primary Contact: Dr. Whitney Miller
Pharmaceutical Issues

H.R. 820, Delivering Antimicrobial Transparency in Animals (DATA) Act of 2013
This bill amends the Federal Food, Drug, and Cosmetic Act to enhance the reporting requirements pertaining to the use of antimicrobial drugs in food animals.


AVMA Position: Nonsupport
Primary Contact: Dr. Ashley Morgan

H.R. 1150, Preservation of Antibiotics for Medical Treatment Act (PAMTA) of 2013
This bill amends the Federal Food, Drug, and Cosmetic Act to eliminate the use of antibiotics in food animals for other purposes than to medically treat or prevent illnesses.


AVMA Position: Active Pursuit of Defeat
Primary Contact: Dr. Ashley Morgan

These pieces of legislation amend the Federal Food, Drug, and Cosmetic Act to reauthorize programs that will collect user fees from companies to facilitate the Food and Drug Administration’s review of new animal drugs and generic new animal drugs.


All three of these bills were signed into law on June 13, 2013, as Public Law 113-014.

AVMA Position: Support
Primary Contact: Dr. Ashley Morgan

H.R. 1528/S. 1171, Veterinary Medicine Mobility Act
This legislation amends the Controlled Substances Act to allow a veterinarian to transport and dispense controlled substances in the usual course of veterinary practice outside of their registered locations.

Status: U.S. Reps. Kurt Schrader (D-Ore.) and Ted Yoho (R-Fla.) introduced H.R. 1528 on April 12, 2013, and it was referred to the House Committee on Energy & Commerce, Subcommittee on Health, and to the House Judiciary Committee. U.S. Sens. Jerry Moran (R-Kan.) and Angus King (I-Maine) introduced S. 1171 on June 17, 2013, and it was referred to the Senate Committee on the Judiciary.
Public Health Issues

**H.R. 610, Lyme Advisory Committee**
This bill provides for the establishment of the Tick-Borne Diseases Advisory Committee. The committee would advise the Secretary and the Assistant Secretary for Health regarding the manner in which they can: (1) ensure interagency coordination and communication and minimize overlap regarding efforts to address tick-borne diseases; (2) identify opportunities to coordinate efforts with other federal agencies and private organizations addressing such diseases; (3) ensure interagency coordination and communication with constituency groups; (4) ensure that a broad spectrum of scientific viewpoints is represented in public health policy decisions and that information disseminated to the public and physicians is balanced; and (5) advise relevant federal agencies on priorities related to Lyme and tick-borne diseases.

**Status:** U.S. Rep. Chris Smith (R-N.J.) introduced [H.R. 610](https://www.govtrack.us/congress/bills/current/house/610) on Feb. 12, 2013, and it was referred to the House Committee on Energy & Commerce, Subcommittee on Health.

**AVMA Position:** No Action

**Primary Contact:** Dr. Ashley Morgan

**H.R. 611/S. 719, Lyme Disease Prevention, Education & Research**
This legislation provides for the expansion of federal efforts concerning the prevention, education, treatment, and research activities related to Lyme and other tick-borne diseases, including the establishment of a Tick-Borne Diseases Advisory Committee.


**AVMA Position:** No Action

**Primary Contact:** Dr. Ashley Morgan

Research Issues

**S. 859, Animal and Public Health Protection Act**
This provision will provide the National Animal Health Laboratory Network (NAHLN) with the ability to conduct activities related to detecting and responding to animal health threats. The bill authorizes $15 million for the NAHLN. The provision also authorizes resources to tackle the NAHLN’s genuine need to enhance its infrastructure, personnel, information technology, and quality assurance. A robust NAHLN will help control any potential disease outbreaks, limit the spread of diseases to other animals and, as a result, limit the diseases’ impact on public health, animal suffering, interruption of food supply, and the financial health of livestock and related industries.

**Status:** The Senate Farm Bill ([S. 954](https://www.govtrack.us/congress/bills/current/senate/954)), which passed on June 10, 2013, incorporated [S. 859](https://www.govtrack.us/congress/bills/current/senate/859) as a provision.

**AVMA Position:** Active Pursuit of Passage
**Primary Contact:** Gina Luke

### Senate Resolution to recognize the importance of biosecurity and agro-defense

This resolution reminds lawmakers that addressing critical vulnerabilities in the nation’s food supply and agriculture economy remains a top priority. Congress needs to consider measures to improve biosecurity and protect plant and animal health, including continuing the construction of the National Bio and Agro-Defense Facility (NBAF). The NBAF will bring the nation’s animal disease diagnostic and research capabilities into the 21st century. By constructing this new, state-of-the-art, high-containment facility, researchers will be better equipped to study foreign animals and emerging and zoonotic diseases that threaten U.S. animal agriculture and public health. When built, the NBAF will be the first lab in the United States to have a bio-safety level 4 containment to conduct research on diseases that could greatly impact large animals.

**Status:** The resolution has not yet been introduced in the Senate.

**AVMA Position:** Support

**Primary Contact:** Gina Luke

### Foundation for Food and Agriculture

The Senate Farm Bill (S. 954) included a provision that would establish a Foundation for Food and Agriculture Research (FFAR). It directs the U.S. Secretary of Agriculture to establish the FFAR to support the USDA’s agricultural research on key problems of national and international significance, and to foster collaboration with agricultural researchers from the federal government, institutions of higher education, industry, and nonprofit organizations. The bill directs the foundation to: award grants to, or enter into contracts or cooperative agreements with, scientists and entities to advance the foundation’s goals; identify and coordinate existing and proposed federal research and development programs relating to the foundation’s purposes; identify unmet and emerging agricultural research needs; facilitate technology transfer and information release to the agricultural research community; and promote the development of the next generation of agricultural research scientists.

**Status:** The Senate Farm Bill (S.954), which passed on June 10, 2013, included the FFAR provision.

**AVMA Position:** Support

**Primary Contact:** Gina Luke

### Small Business Agenda

**H.R. 684/S. 743, Marketplace Fairness Act of 2013**

This legislation would give states the authority to manage their sales tax laws, closing the loophole that currently prohibits states from collecting sales and use taxes that are owed on purchases from out-of-state online vendors. Some states have incurred budget shortfalls as a result of sales taxes on online purchases going uncollected. AVMA is part of the Marketplace Fairness Coalition, which is comprised of more than 200 businesses and trade associations from across the country that supports federal legislation that will empower states to update their sales and use tax laws to level the playing field for all sellers.


**AVMA Position:** Support
**Primary Contact:** Gina Luke

### H.R. 523 Protect Medical Innovation Act of 2013 / S. 232, Medical Device Access and Innovation Protection Act
This legislation would repeal the excise tax on medical devices that was implemented as part of the healthcare reform legislation, most commonly referred to as “Obamacare.” The tax went into effect on Jan. 1, 2013, and impacts medical devices that are listed with the Food and Drug Administration as “intended for humans.” While the tax is not intended for devices that are developed exclusively for veterinary medicine, it does impact veterinary medicine as veterinarians often use medical devices that are “intended for humans.”

**Status:** U.S. Rep. Erik Paulsen (R-Minn.) introduced H.R. 523 on Feb. 6, 2013, and it was referred to the House Committee on Ways and Means. U.S. Sen. Orrin Hatch (R-Utah) introduced S. 232 on Feb. 7, 2013, and it was referred to the Senate Committee on Finance.

**AVMA Position:** Support
**Primary Contact:** Dr. Mark Lutschaunig

### H.R. 892, S-Corp Modernization Act of 2013
H.R. 892 would: make it easier for S-corporations to access capital, modernize the rules that apply to firms that have selected S-corp status, and ease and expand S-corps’ ability to make charitable donations. Though it is unknown what percentage of veterinary practices are S-corps, a 2011 study on tax law found that S-corps employ every one out of four workers in the U.S. private sector.

**Background:** An S-corp is a special structure of business ownership by which the business is able to avoid double taxation because it is not required to pay corporate income taxes on the profits of the company. All profits and losses are passed on directly to the shareholders of the company (currently limited to 35 shareholders). The shareholders then file individual tax returns and pay income taxes on whatever share of the profits they receive from the business, whether or not they are distributed. If the business has more than one shareholder, then the business must file an informational tax return to provide details of the corporate income of each shareholder. S-corps do not pay corporate taxes, which reduces their taxable gains, allows for write offs of start-up losses, and offers liability protection to shareholders.

**Status:** U.S. Rep. Dave Reichert (R-Wash.) introduced H.R. 892 on Feb. 28, 2013, and it was referred to the House Committee on Ways and Means.

**AVMA Position:** Support
**Primary Contact:** Gina Luke

### H.R. 774, Small Business Start-up Savings Accounts Act of 2013
This legislation amends the Internal Revenue Code to allow businesses with 500 or fewer employees to be eligible to open a small business start-up savings account for the payment of certain business expenses, including the purchase of equipment or facilities, marketing, training, incorporation, and accounting fees. Contributions to the account would be capped at $10,000 per year and the total value of these accounts at any one time would be capped at $150,000. So long as money is used within five years of the first distribution, account holders would not
be subject to fees or penalties. Account holders could use the funds for the costs of business creation or expansion, such as the purchase of equipment or facilities, marketing, training, incorporation or accounting cost.

**Status:** U.S. Rep. Cory Gardner (R-Colo.) introduced **H.R. 774** on Feb. 15, 2013, and it was referred to the House Committee on Ways and Means.

**AVMA Position:** Support  
**Primary Contact:** Gina Luke

### S. 193, Startup Innovation Credit Act of 2013

This bill amends the Internal Revenue Code to allow a qualified small business to use a portion of its tax credit for increasing research expenditures as an offset against its payroll tax liability under the Federal Insurance Contributions Act (FICA). To qualify for the tax credit, a startup (a corporation, partnership, or S-corp) must be fewer than five years old and have less than $5 million in total revenues. The startup would be able to deduct the total amount it spent on research and development (R&D) up to $250,000 from its employment taxes the following year. The legislation allows qualifying companies to claim the R&D Tax Credit against their employment taxes, putting them against their W-2 instead of their income tax liability. That opens this tax credit up to new companies who do not have an income tax liability. Typically, a business deducts its R&D expenses from its taxable profits, which means that any startup that has not yet started making a profit would not be able to use the current R&D tax credit. If a startup is not yet making profit, it will still be able to reap a reward for investing in innovation by deducting its R&D spending from its employment spending.

**Status:** U.S. Sen. Chris Coons (D-Del.) introduced **S. 193** on Jan. 31, 2013, and it was referred to the Senate Finance Committee.

**AVMA Position:** Support  
**Primary Contact:** Gina Luke

### Veterinary Workforce Issues

#### H.R. 1125/S. 553, Veterinary Medicine Loan Repayment Program Enhancement Act of 2013

The Veterinary Medicine Loan Repayment Program (VMLRP) provides loan repayment to veterinarians who agree to practice in shortage situations across the country, as designated by the U.S. Department of Agriculture. This legislation would make the VMLRP loan repayment awards tax exempt, thereby increasing the number of veterinarians that could participate in the program. At present, the awards are taxed at a rate of 39 percent.

**Status:** U.S. Rep. Kurt Schrader (D-Ore.) introduced **H.R. 1125** on March 13, 2013, and it was referred to the House Committee on Ways and Means. U.S. Sen. Tim Johnson (D-S.D.) introduced **S. 553** on March 13, 2013, and it was referred to the Senate Committee on Finance.

**AVMA Position:** Active Pursuit of Passage  
**Primary Contact:** Gina Luke

#### Veterinary School/Educational Issues

#### H.R. 1716, Earnings Contingent Education Loans (ExCEL) Act of 2013

This bill establishes the Income Dependent Education Assistance (IDEA) Loan Program. Under the legislation, a borrower would pay a percentage of his or her discretionary income toward his or her student loan balance until
the obligation is re-paid. The IDEA loans would require income-contingent repayment for all borrowers through a system of withholdings from earnings by the Internal Revenue Service, similar to federal tax withholdings. The repayment obligation would be 15 percent of income above 150 percent of the poverty line for the borrower’s household size, as reported in exemptions on the tax return. This legislation would combine the Subsidized Stafford, Unsubsidized Stafford and GradPLUS loans with a single, simple, income-contingent student loan.

**Status:** U.S. Rep. Thomas Petri (R-Wis.) introduced H.R. 1716 on April 24, 2013, and it was referred to the House Committee on Education and the Workforce and the House Ways and Means Committee.

**AVMA Position:** Support

**Primary Contact:** Gina Luke

### S. 113, Know Before You Owe Private Student Loan Act of 2013
This bill amends both the Higher Education Act (HEA) and the Truth in Lending Act (TILA) to strengthen the requirements surrounding private student loans. The legislation would ensure that students understand the full range of their loan options they qualify for before they actually borrow.

**Status:** U.S. Sen. Dick Durbin (D-Ill.) introduced S. 113 on Jan. 23, 2013, and it was referred to the Senate Committee on Banking, Housing and Urban Affairs.

**AVMA Position:** Support

**Primary Contact:** Gina Luke

### H.R. 532 Private Student Loan Bankruptcy Act / S. 114, Fairness to Struggling Students Act
This legislation will make it possible for private student loan debt to be discharged in bankruptcy cases, just like any other private debt. AVMA has refrained from supporting this legislation and instead will support legislation that promotes responsible borrowing and/or that limits the cost of student loans.

**Background:** Federal loans have been ineligible for discharge in bankruptcy since 1978 to safeguard taxpayer money. Private student loans were eligible for bankruptcy discharge from 1978-2005 when Congress created special protections for private student loan lenders. In 2005, Congress changed the bankruptcy rules. Private student loans are different from federal loans in that federal student loans carry mostly favorable terms, lower interest rates, income-based repayment plans and more deferment and forbearance options. Private student loans often have double-digit interest rates and have no income-based repayment options.

**Status:** U.S. Rep. Steve Cohen (D-Tenn.) introduced H.R. 532 on Feb. 6, 2013, and it was referred to the House Subcommittee on Regulatory Reform, Commercial and Antitrust Law. U.S. Sen. Dick Durbin (D-Ill.) introduced S. 114 on Jan. 23, 2013, and it has been referred to the Senate Committee on the Judiciary.

**AVMA Position:** No Action

**Primary Contact:** Gina Luke
More Information

Get the latest information on current legislative issues by signing up for the AVMA Governmental Relations Division’s monthly e-newsletter *The Advocate* and by visiting AVMA’s website under the “Advocacy” tab. Be sure to follow AVMA’s Congressional Advocacy Network on Twitter [@AVMACAN](https://twitter.com/AVMACAN) and on Facebook at [facebook.com/avmacan](https://facebook.com/avmacan).