The Final Countdown (is over): Election Impacts on Business

Dallas Hotel Conference

Matt Carrier

SVP, Federal Gov Affairs

AHLA



AHLA MISSION:

To advance the industry's interests in Washington, D.C. **and beyond.**

The New York Times

Angry voters usher in beginning to end of Trump era

THE WALL STREET JOURNAL.

Democrats take Congress in stunning rebuke of Trump

Bloomberg

Democrats Clinch Huge Wins on Inflation Anger, Trump Fatigue

NBC NEWS

House Speaker Mike Johnson will not stay on as Republican leader after GOP losses

BUSINESS INSIDER

Trump says midterms voters weren't willing to pay more for gas: 'I understand that'

CNBC

Senate finance chair says committee will focus on billionaire tax and corporate accountability

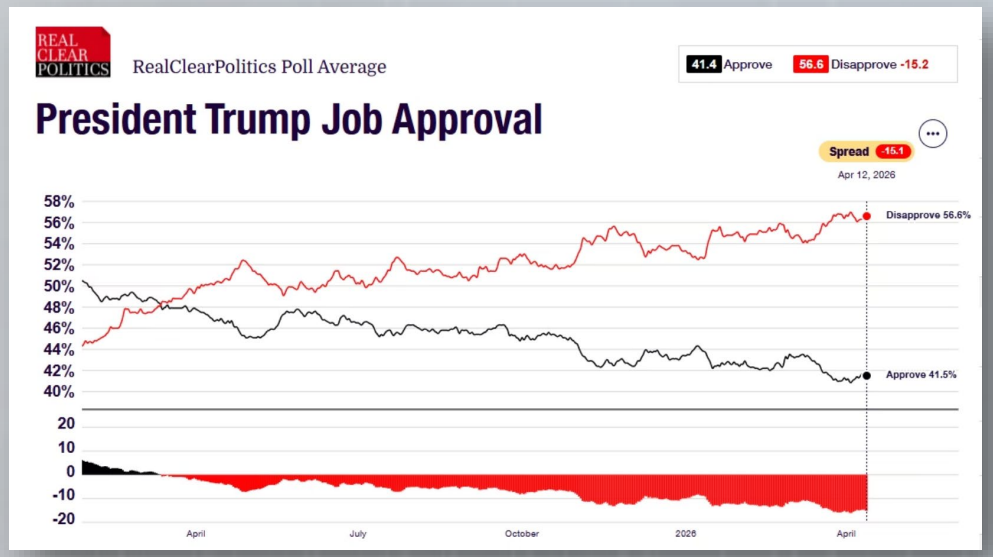
abc NEWS

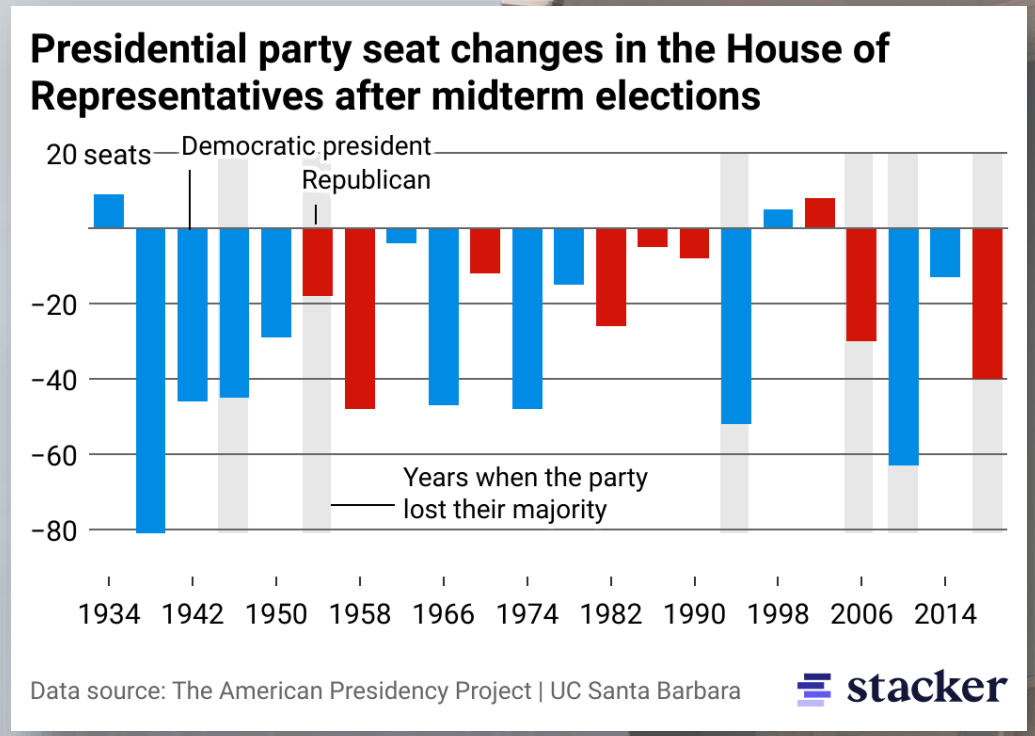
What Trump’s next two years with a Democratic Congress could look like

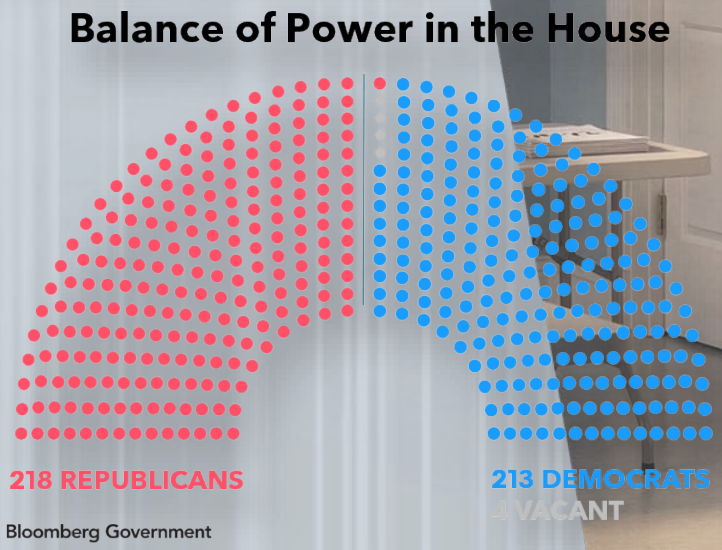
FOX NEWS

Meet the radical socialists coming to Congress next year after sweeping midterms

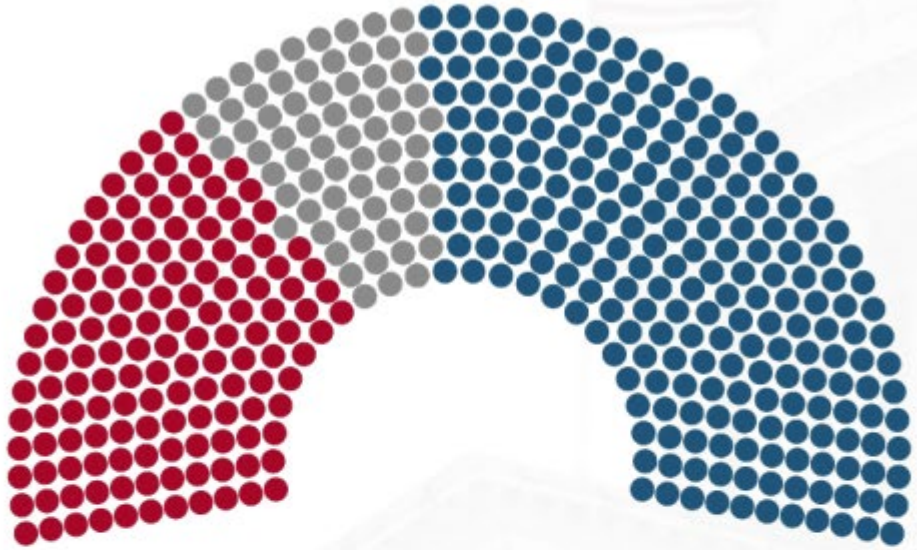
2026 Midterm Elections + History







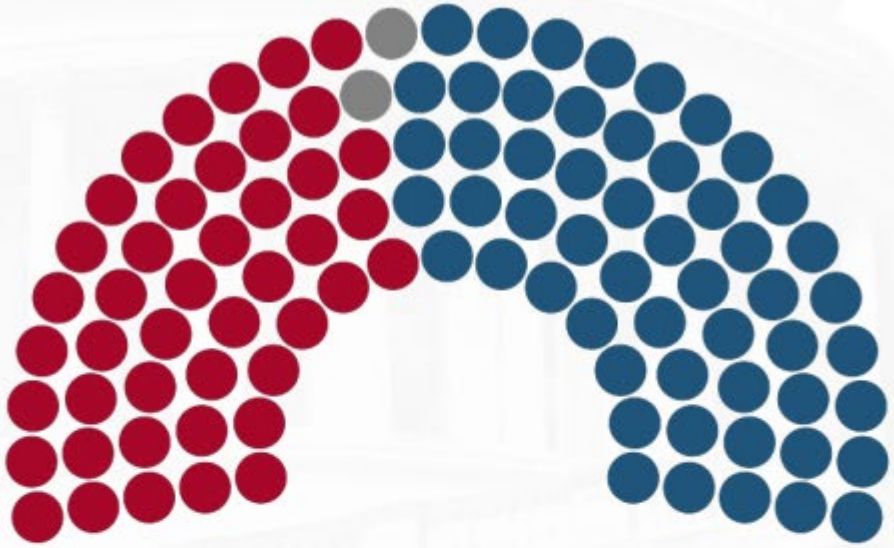
Change is Here



House of Representatives

Current Control: **228** Democrat | **139** Republican
68 *seats not called*

18 seats flipped from Republican to Democrat



U.S. Senate

Current Control: **54** Democrat | **44** Republican
2 *seats not called*
(AK, MS)

7 seats flipped from Republican to Democrat
(NC, IA, KS, ME, OH, TX, SC)

Historic Democratic Gains

HOUSE

Democrats are expected to control at least 245 House seats, the **largest House majority** since 2008.

Despite mid-decade redistricting efforts, Democrats retained or **gained seats in several districts redrawn to favor President Trump**.

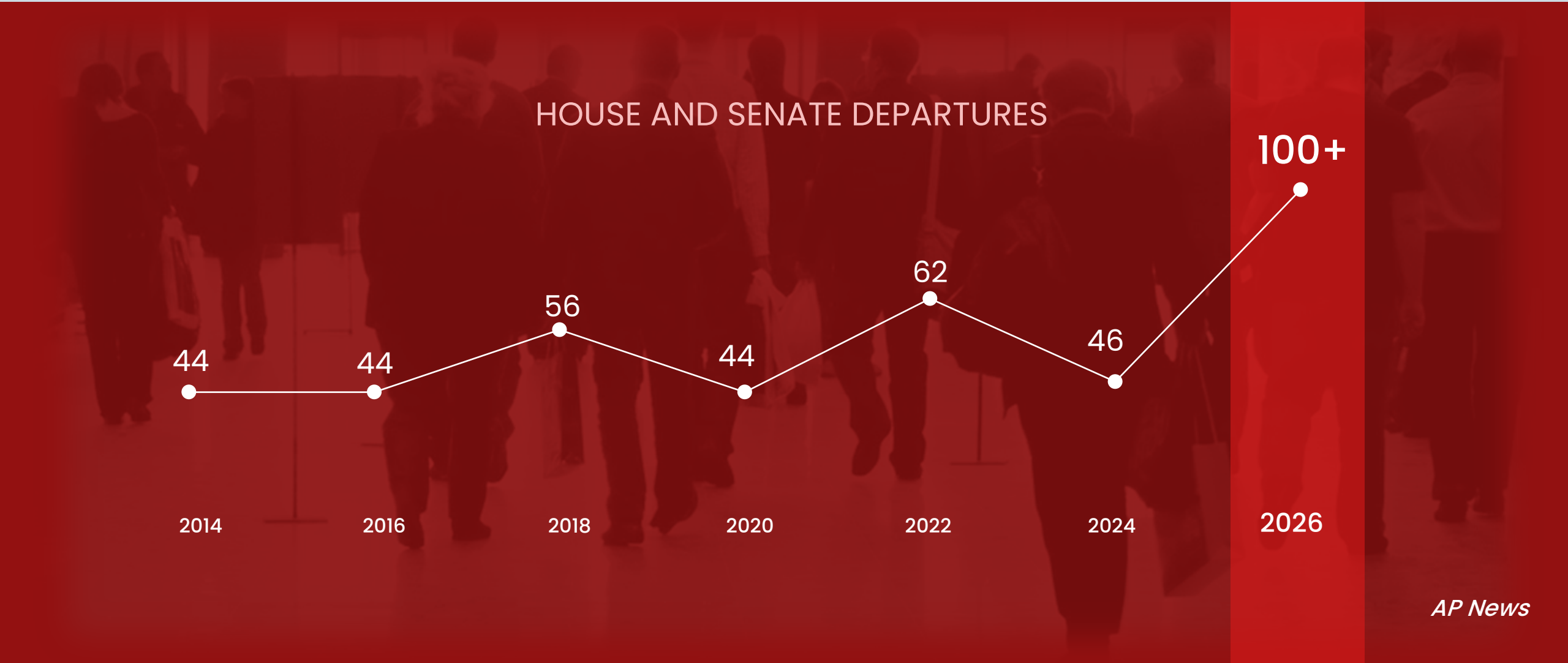
Democrats had strong performances in North Carolina, Florida, New Jersey, Missouri, Texas, Louisiana, and Wisconsin, **winning several races were pre-election ratings favored Republicans**.

SENATE

Democrats delivered historic breakthroughs in traditionally Republican seats, with Democrats winning Senate seats in Kansas, Texas, and South Carolina for the **first time in decades**.

Democrats flipped **at least six Senate seats in states Trump won** by double digits in 2024, which has not happened since 1986.

Record-Breaking Congressional Turnover



AP News

Shifts Across the Country

Projected / Declared Winner



Nebraska (Pillen)
Result: **Pillen +8.2**



Wisconsin (Open)
Result: **Crowley +8.2**



Nevada (Lombardo)
Result: **Ford +7.2**



Iowa (Open)
Result: **Sand +11**



Texas (Abbott)
Result: **Hinojosa +7.1**



Michigan (Open)
Result: **Benson +10.5**



Oregon (Kotek)
Result: **Kotek +6.2**



Georgia (Open)
Result: **Bottoms +8.6**



Florida (Open)
Result: **Donalds +1.3**



Ohio (Open)
Result: **Acton +7.9**

Too Close to Call / Ballots Being Counted



Kansas (Open)
Holscher +0.52 *98% reporting*



Alaska (Open)
Kreiss-Tomkins +20 *74% reporting*

Five governorships **flipped from Republican to Democratic**, giving Democrats a **28-20** edge. Two close races are still uncalled.

Democrats will hold the governorships in all **seven states** expected to be **key battlegrounds** in the 2028 presidential election.

ork Times

Democratic Congressional Priorities

Mr. Jeffries, according to aides, plans in the first 100 hours to speed legislation to the floor that would:

- Reinstate expired Affordable Care Act health care premium subsidies.
- Reverse the nearly $1 trillion in Medicaid cuts that were included in the president's domestic policy law.
- Move to end Mr. Trump's tariffs and restore congressional power over trade policy.
- Direct Mr. Trump to end the war in Iran or seek authorization from Congress to continue it.

"While Trump is still president, we're not going to pass visionary progressive legislation. If you give us power, we will in some cases reverse his decisions, stop him from making terrible decisions and in other cases slow him down."

— Senator Brian Schatz (D-HI)



The New York Times

Here's What Democrats Plan to Do With Their Power if They Win Back Congress

OUR ADVOCACY NARRATIVE

One Agenda. Shared Economic Outcomes.

WHAT HOTELIERS NEED

- ✓ **Profitability**
- ✓ Manageable costs
- ✓ Regulatory certainty
- ✓ Investment and growth

AHLA connects the two

A Stronger Hospitality Economy

- ✓ More jobs and career growth
- ✓ Greater economic opportunity
- ✓ More local investment

WHAT POLICYMAKERS NEED

- ✓ **Affordability**
- ✓ Good-paying jobs
- ✓ Economic opportunity
- ✓ Stronger communities

Hotel profitability and worker prosperity should reinforce one another.

Power Shifts: Playing Offense and Defense

OFFENSE

Online booking scams
Bipartisan enforcement legislation

Per diem rates
Explore changes to the per diem formula

Expand the workforce
H-2B and J-1 Visas, immigration reform

Travel demand
Avert shutdowns; TRIA; USMCA extension

Worker-facing, travel tax relief
Explore new deductions and exemptions

DEFENSE

Tax Policy
Defend gains on operations and CRE

Revenue management
Algorithmic and “surveillance” pricing bills

Labor Policy
Labor contracts; AI in the workforce

Civil liability
Expanded legal exposure

Immigration enforcement
Oversight hearings; guest-data mandates

Tariffs and Trade
Supply chain constraints

2025 Tax Reconciliation

Business Provisions

- Pass-through deduction (199A) permanency
- Bonus depreciation/full expensing permanency
- Expanded business interest deductibility (EBITDA) restoration
- Opportunity Zone 2.0
- Preserving like-kind exchange (Section 1031)
- Paid Family and Medical Leave (PFML) tax credit enhancement

Individual Provisions

- No Tax on Tips
- Child Tax Credit (CTC) increase
- Child and Dependent Care Tax Credit (CDCTC) enhancement
- Individual and family marginal rate preservation
- Estate tax exemption increase

Championing the Franchise Business Model

American Franchise Act

AHLA led hundreds of meetings with congressional and Administration staff to successfully advance bill; ongoing effort for full House passage this fall.

Department of Labor Joint Employer Rule

AHLA supporting the Department of Labor's proposed joint employer rule while recommending targeted improvements to strengthen the proposal.

State Franchising Legislation

AHLA opposed hotel-specific franchise legislation in New Jersey that would have undermined the hotel franchise model by targeting brand standards and loyalty programs.

Reducing Costs & Boosting Revenue

- PER DIEM: Secured increase in FY 2027 per diem rates
- SEAMLESS TRAVEL: Urged congressional action to avert and/or end government shutdowns
- LABOR: Confirmed inclusion of desired H-2B expansion language in appropriations bill
- BOOKING SCAMS: At the table with regulators and lawmakers to address online booking scams
- TRADE: Pressed administration on impact of tariffs, achieved furniture pause, and urged support for an extension of the US-Mexico-Canada Agreement

How Can You Help?

Get Connected

Get Politically Involved

Stay Engaged

Supporting Champions

HotelPAC is our industry's voice in the political process

- $2.1 million raised last cycle
- Support both federal and state candidates
- ~65% of the way towards $1.3 million goal for this cycle
- 98.9% primary win rate for AHLA-supported members up for re-election
- Supporting 20 incoming House freshman, 8 Incoming Senate freshman

HOTELPAC
AMERICAN HOTEL & LODGING ASSOCIATION


Join us!
Hotels on the Hill
Hyatt Regency Capitol Hill
May 11-12th
AHLA
AMERICAN HOTEL & LODGING ASSOCIATION

Thank You!

Matt Carrier

SVP, Federal Government Affairs
AHLA