

June 30, 2025

The Honorable Mike Johnson  
Speaker of the House  
521 Cannon House Office Building  
Washington DC 20510

The Honorable Hakeem Jeffries  
House Minority Leader  
2267 Rayburn House Office Building  
Washington DC 20510

Dear Speaker Johnson and Leader Jeffries,

The National Asphalt Pavement Association (NAPA) appreciates Congress's work on tax reform under the Budget Reconciliation process, and endorses the "*One, Big, Beautiful Bill*" (OBB) that the Senate is currently finalizing to pass. While there are many tax reforms outlined in the bill, the asphalt industry would like to share a few policies we have previously shared regarding our industry's growth. As you know, the asphalt industry is ubiquitous with the economic health and competitiveness of our country, as our pavements literally pave the way for domestic manufacturing expansion, energy production growth and connected communities via our national roadway network. In 2022, our nation's road and bridge network facilitated the movement of over 19 billion pounds of freight worth an estimated \$18 trillion – 72% of our nation's cargo – with over 94% of our roadway network paved with asphalt

The revised Senate text includes several key tax provisions that will allow asphalt producers and contractors, both small and large businesses, to thrive. These include the following;

**Small Business Deduction Extension:**

NAPA supports the extension of Section 199A as outlined in the bill with a 20% deduction for qualified business income. This was a terrific provision of the *Tax Cuts and Jobs Act*, and given the program was set to expire, providing a new lease on this program permanently is critical to the vast majority of our industry; in fact, over 96 percent of NAPA's asphalt producers are either a small business, or family business/private-owned, which accounts for roughly 185M tons of asphalt production annually in the United States.

**Estate/Death Tax:**

Since countless NAPA member companies and family/multi-generational, doubling the "death tax" exemption amount to \$15M is critical for families who wish to pass their business legacy to future generations. Further, indexing the exemption to inflation will ensure this exemption can be used effectively, regardless of timing.

**Bonus Depreciation:**

Asphalt producers must invest in heavy equipment to properly manufacture, transport and deploy our various pavement materials, which are capital intensive and represent massive commitments to other manufacturing sectors for their machinery and services – financial commitments benefiting our national economy. Given the financing and investing required to successfully grow asphalt operations, NAPA supports the bill's extension of bonus depreciation permanently, which will be key given this Congress must pass a highway reauthorization package before the end of next year.

**Research & Development (R&D) Tax Credits:**

Like many other industries, asphalt producers and contractors expend countless resources towards research, like asphalt mixes and improving plant efficiencies and product transport.

These advances have led to various benefits, including maximizing performance of reclaimed asphalt product (RAP), which now accounts for over 90M tons annually on our roads – saving State DOTs over \$3B annually. NAPA supports the permanent extension of R&D tax credits that will ultimately help our local, state and federal customers save on their pavement mix designs.

### **Equitable User-fee for the Highway Trust Fund**

We appreciated the inclusion of user-fees for electric vehicles and hybrid vehicles in the original House version – ensuring all roadway users pay into maintaining and expanding our surface transportation network. We are disappointed this provision was not prioritized in the Senate’s revised OBB package, but the asphalt industry will continue to lead on addressing Highway Trust Fund (HTF) solvency and keeping our national roadway network efficient and safe for all users. As we pivot towards surface transportation reauthorization with your colleagues on the Transportation & Infrastructure Committee in the months ahead, we encourage your leadership on addressing HTF solutions and user-fee growth.

Thank you again for your consideration and please consider the asphalt industry as a resource. NAPA stands ready to continue collaboration with you and colleagues on these important tax reforms.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nile Elam', with a long horizontal flourish extending to the right.

Nile Elam  
Vice President of Government Affairs  
National Asphalt Pavement Association