



May 13<sup>th</sup>, 2025

The Honorable Jason Smith  
Chairman  
House Ways & Means Committee  
1100 Longworth House Office Building  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
House Ways & Means Committee  
372 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal,

The National Asphalt Pavement Association (NAPA) appreciates the Committee's work assembling its portion of tax reform under the Budget Reconciliation process, and endorses the "*One, Big, Beautiful Bill*" as introduced this week ahead of today's markup. While there are many tax reforms outlined in your bill, the asphalt industry's would like to share a few policies we had flagged previously that support our industry's growth and ensures viable long-term federal infrastructure investment. 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.

NAPA is the only national trade association representing over 1,100 companies associated with the production and application of over 400M tons of asphalt pavement mixtures annually. NAPA members operate pavement mix plants in virtually every Congressional district, coast to coast, border to border. More than 94% of America's roadways and over 80% of airfields are surfaced with asphalt, and our members employ over 350,000 hard working men and women across the country.

We are pleased the bill includes various priorities NAPA had flagged to the Committee during its internal work over the last year, and these tax policies will have real benefits to the myriad of small business and family-owned producer companies who make up a bulk of the asphalt industry's annual production. We welcome the inclusion of the following tax reforms in today's markup:

**Small Business Deduction Extension:**

NAPA supports the extension of Section 199A as outlined in the bill with a 23% deduction for qualified business income. This is an increase of 3% compared to the *Tax Cut and Jobs Act* policies, and given the program was set to expire, providing a new lease on this program for an additional five years 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 for another five years, 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 bill's five-year extension for R&D tax credits that will ultimately help our local, state and federal customers save on their pavement mix designs.

Lastly, while not including in the Committee's markup, I would like to call attention to your colleagues' work in the Transportation & Infrastructure Committee (T&I) regarding their recent Budget Reconciliation markup and inclusion for user-fees into the Highway Trust Fund; specifically, user-fee capture on electric vehicles (EVs) and hybrids. This proposal is [endorsed](#) by NAPA, and directly benefits federal investment in our aging national surface transportation network. While this won't be a part of today's markup, as the *"One, Big, Beautiful Bill"* comes together across the various committee markups, we wish to reiterate our support for this much-needed HTF user-fee capture – a segment not previously paying into the HTF – and help build momentum for the upcoming highway reauthorization package out of T&I later this Congress.

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

Sincerely,



Nile Elam  
Vice President of Government Affairs  
National Asphalt Pavement Association