



NATIONAL STONE, SAND  
& GRAVEL ASSOCIATION

January 18, 2024

The Honorable Ronald Wyden  
Chairman  
219 Dirksen Senate Office Building  
U.S. Senate Committee on Finance

The Honorable Michael Crapo  
Ranking Member  
219 Dirksen Senate Office Building  
U.S. Senate Committee on Finance

The Honorable Jason Smith  
Chairman  
U.S. House Ways and Means Committee  
1039 Longworth House Office Building

The Honorable Richard Neal  
Ranking Member  
U.S. House Ways and Means Committee  
1139 Longworth House Office Building

Dear Chairman Wyden, Chairman Smith, Ranking Member Crapo and Ranking Member Neal:

On behalf of the 450 members of the National Stone, Sand & Gravel Association (NSSGA), I write to express our strong support for The Tax Relief for American Families and Workers Act of 2024 and urge Congress to pass it expeditiously. Specifically, we are encouraged to see the legislation restores immediate expensing of domestic research and development expenditures, extends 100 percent bonus depreciation, and extends enhanced interest deductibility. These provisions support our nation's manufacturing economy and will ensure construction materials are available and competitively priced to build the infrastructure that America needs.

NSSGA represents the aggregates and industrial sand industry, and the companies that manufacture equipment and provide services. Our industry has 9,000 facilities and well over 100,000 employees in high-paying jobs. The industry produces 2.5 billion tons of aggregates annually, which are crucial in sustaining our lifestyle and constructing the nation's infrastructure and communities. These products are fundamental components required for building communities, roads, airports, transit, rail, ports, clean water, and energy networks.

For almost seven decades, the tax code has acknowledged the significance of research and development by permitting businesses to deduct their entire R&D expenses within the same fiscal year. As of the start of 2023, businesses were obligated to spread out or deduct these expenses over an extended period, which significantly increased the cost of conducting R&D in the United States.



Unfortunately, the industry is already experiencing the chilling impact of the R&D deduction limitations, resulting in the loss of high-paying jobs and a reduction in R&D activities geared toward future innovations. Even more frustrating, the new expensing requirements are disproportionately impacting small businesses and requiring hard-working taxpayers to cover significant new liabilities last year. We hear examples of many companies that are forced to lay off highly-skilled manufacturing employees and curtail future business growth to pay the significant increase in taxes. We understand that some small businesses have been forced to incur 200 - 300% increases in taxes for this year. This is why we commend the bipartisan tax package that restores immediate expensing for R&D and puts innovation at the forefront.

Producers in the aggregates industry make substantial investments in heavy equipment and machinery to operate their quarries efficiently. This contributes to our nation's manufacturing economy, ensuring the availability of construction materials at competitive prices and serving as the foundation for job growth. The bonus depreciation allowance, which started to phase out on Jan. 1, 2023, is crucial. NSSGA has advocated for the permanent expansion of this vital tool, offering aggregate operators the certainty they need to make essential capital investments and we are encouraged to see this provision in the package.

We are also pleased to see the package extends the application of earnings before interest, taxes, depreciation and amortization (EBITDA) to taxable years beginning after Dec. 31, 2023 and before Jan. 31, 2026. A lower limitation would have made it more difficult for job creators to raise capital, hire new workers and grow their businesses. We are glad to see you endorse the investment and job expansion in capital-intensive businesses nationwide by maintaining an EBITDA standard for business interest deductions. Also, our members who are small businesses will now be able to permanently increase the amount of deductions that they can take for purchases of certain equipment and software due to this bipartisan package.

Again, we offer our strong support for the Tax Relief for American Families and Workers Act and thank you for crafting this legislation that will provide relief for businesses of all sizes and spur further economic growth.

Sincerely,



Michael W. Johnson  
President & CEO  
National Stone, Sand & Gravel Association

