



January 18, 2024

U.S. House of Representatives
Washington, DC 20515

Re: Support H.R. 7024 / Extension of R&D, Bonus Depreciation and 179 Expensing Reform

Dear Representative:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction in both the public and private sectors throughout the United States. **On behalf of our membership, I express our strongest support for H.R. 7024, the Tax Relief for America's Families and Workers Act, a bill extending and reforming the R&D credit, bonus depreciation and equipment expensing, soon to be marked up in the Ways and Means Committee.**

Due to the robust and record setting growth of the construction, CHIPS, energy efficiency and manufacturing industries in the last two years, we need your support for renewing and extending the 100% bonus depreciation and 179 equipment expensing reform. Due to the rapid expansion of the mega projects following the bipartisan infrastructure law, CHIPS and Science Act and other IRA related private sector tax incentives for energy efficient retrofits, **our contractors have seen an historic demand to purchase expensive but highly productive new equipment to meet project demands.**

SMACNA has shared with Congress and federal policy leaders for half a decade that our members have the strongest support for three essential tax incentive provisions:

- **Retroactive Extension of the 100% Bonus Depreciation** – Would restore the 100% bonus depreciation for qualified property, instead of the current 20% annual phase down that went into effect on January 1, 2023.
- **Retroactive Extension and Permanence for 174 Research and Development Expenditures** - Would allow companies to immediately deduct R&D expenses instead of amortizing over five years.
- **Expand Section 179 expensing and interest deductibility for small businesses**—Would increase the maximum eligible amount of investment and extend the point at which the benefit phases out.



CAPITOL HILL OFFICE: 305 4TH STREET NE • WASHINGTON DC 20002
PHONE: 202 547 8202 • FAX: 202 547 8810 • WEB: www.smacna.org/advocacy

HEADQUARTERS: 4201 LAFAYETTE CENTER DRIVE • CHANTILLY VA 20151-1209
MAIL ADDRESS: P.O. BOX 221230 • CHANTILLY VA 20153-1230
PHONE: 703 803 2980 • FAX: 703 803 3732 • WEB: www.smacna.org

At a time when our firms are working on and bidding the largest projects in the nation, we face severe operational obstacles due to the lapse of these three key provisions in the tax code. **SMACNA urges your support for H.R. 7024, especially the extension of the 174 R&D credit, bonus depreciation and 179 equipment expensing reforms.** Thank you for your support of these critical tax incentives of vital importance to the nation's building and construction industry today and in the future.

Sincerely,

A handwritten signature in black ink that reads "Stanley E. Kolbe, Jr." The signature is written in a cursive style with a large, looping initial 'S'.

Stanley E. Kolbe, Jr.
Executive Director, Government and Political Affairs
Ofc: 202.547.8202 | skolbe@smacna.org