



July 15, 2021

The Honorable Ron Wyden
Chairman
Senate Committee on Finance
221 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Senate Committee on Finance
239 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
372 Cannon House Office Building
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, D.C. 20515

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

The National Demolition Association (NDA) represents nearly 500 U.S. and Canadian companies that offer standard demolition services as well as a full range of demolition-related services and products. NDA educates members on the latest advances in equipment and services, provides educational programs and tools to stay abreast of regulatory and safety matters and keeps regulators informed about issues in our industry. NDA also increases public awareness of the economic and societal benefits of demolition.

I write today in regards to the ongoing infrastructure negotiations in Congress and the potential for changes to the tax code as part of a future infrastructure package. NDA would like to reiterate its opposition to any legislation that includes harmful tax increases on America's job creators and was encouraged to see that the Bipartisan Infrastructure Framework recently agreed to by President Biden and members of the U.S. Senate did not include any new tax increases on small businesses. NDA strongly believes that Congress should maintain this position moving forward and reject any new tax increases on small businesses, including increases to the corporate tax rate, pass-through deduction for small business, capital gains tax, estate tax and others.

A fair and workable tax code is essential to the success and competitiveness of American small businesses. Many demolition contractors conduct business in such a way that their income is taxed at the individual level, commonly referred to as pass-through entities. These small and medium-sized employers would be significantly affected by higher marginal tax rates, taxes and fees on assets, and other confiscatory proposals. Over one half of the private sector workforce is employed by pass-through entities and higher taxes affect the job market. NDA supports a simplified tax code that does not place an unnecessary burden on job-creating member companies.

With this in mind, NDA recommends the following tax policies for your committees to consider as they negotiate new legislation on infrastructure:

- Oppose any attempts to weaken or repeal the Tax Cuts and Jobs Act.
- Oppose changes to the 20% tax deduction for pass-through entities (S-Corporations,

- partnerships, or sole proprietorships).
- Oppose increases to the corporate income tax rate.
 - Oppose tax increases on capital gains.
 - Support tax policy that continues to provide for accelerated and bonus depreciation which incentivizes capital investments, as well as new and used equipment purchases.
 - Support the recent changes to the tax code that doubles the combined gift and estate tax exemption and the generation-skipping transfer (GST) tax exemption, from \$5.49 million for 2017 to \$11.18 million for 2018.
 - Support permanent repeal of the estate tax.
 - Support continued alterations to the tax code that will boost the US economy and provide much needed relief to small and medium sized businesses and their assets.
 - Support legislative efforts to provide employers with tax incentives, access to low-interest loans, and other financial relief measures during national health emergencies.

The demolition industry stands ready to work with Congress on legislation that meets our nation's infrastructure needs and strengthens the economy. NDA will continue to follow up with your committees and the Biden administration in the coming months as infrastructure negotiations progress.

Thank you for the opportunity to provide comment and we look forward to working with you on these important priorities. Please contact NDA's Director of Government Affairs Kevin McKenney at kmckenney@demolitionassociation.com with any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Lambert", written in a cursive style.

Jeff Lambert
CEO
National Demolition Association