



October 26, 2022

The Honorable Ron Wyden  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

The Honorable Mike Crapo  
Ranking Member  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

The Honorable Richard Neal  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin Brady  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

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

On behalf of the American Building Materials Alliance (ABMA), I am writing to urge you to prioritize extending an important tax provision which is scheduled to begin phasing out next year. ABMA is a national advocacy organization for the lumber and building material sector. Our members are primarily small and medium-sized family-owned businesses that are economic fixtures on Main Streets in communities across the country.

For businesses in our sector, the ability to write off 100 percent of the value of an asset in the year in which that asset is purchased has been critical. While ABMA companies are relatively smaller in scale, we nonetheless incur considerable capital expenditures on equipment to run our daily operations. Our members regularly invest in new forklifts, trucks, and other equipment to move building materials into and around their facilities and ultimately to the construction job site.

For over two decades, the tax code has allowed for some form of first year expensing known as bonus depreciation, a tax incentive that allows a business to immediately deduct a large percentage of the purchase price of eligible assets, such as machinery, rather than write them off over the “useful life” of that asset. Since 2017, businesses have been able to deduct 100% of depreciation upfront on their Federal tax return. Known as full expensing, this accelerated depreciation method has allowed our member companies to continue to invest in their businesses, including in their employees, despite challenging economic conditions over the last few years.

After this year, full bonus depreciation will begin to phase out with complete elimination in 2027. As Congress returns to Washington following the mid-term election, ABMA respectfully requests that preserving this critical tax benefit, by extending the ability to fully expense the cost of capital expenditures, be a top priority for legislative action.

Thank you for your consideration and we look forward to working with you on this important effort.

Sincerely,

Joe Cecarelli  
ABMA Chair

Ida Ross Hicks  
ABMA Vice Chair