



November 19, 2021

U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

On behalf of Associated Builders and Contractors, a national trade association with 69 chapters representing more than 21,000 members, I am writing to express our opposition to H.R. 5367, the Build Back Better Act. ABC opposes the bill's tax hikes on small businesses and restrictive labor policies that would be devastating for the construction industry and put our economic recovery at risk. **ABC strongly urges you to oppose H.R. 5376 and will consider this a "KEY VOTE" for our scorecard on the 117th Congress.**

Democrats' proposed tax hikes and new fees on America's workers and business would make it much harder for many construction businesses to hire new workers and provide competitive pay and benefits for their employees. While the messaging around these tax provisions has focused on the wealthy, the real-world effect of these tax hikes would hit many of our nation's small and family-owned businesses.

Specifically, for pass-through businesses held in trust, the thresholds for the new surtax imposing a 5% tax on a taxpayer's modified adjusted gross income are only \$200,000 and \$500,000, for single and joint filers, respectively. Additionally, the expanded Net Investment Income Tax threshold for joint filers with S corporation or partnership income is just \$13,000 for a family business with ownership shares held in trust. These proposals break President Biden's promise not to increase taxes on Americans making less than \$400,000 a year, and would further exacerbate inflation, supply chain and employment issues that are hurting small businesses as they continue to recover from the COVID-19 pandemic.

Harmful, politically targeted labor provisions included in the proposal—such as egregious increases in monetary penalties for employers, prevailing wage and apprenticeship workforce requirements and tax credits, funding for electronic union elections, union neutrality mandates for federal grant recipients and tax deductions for union dues—would also strip workers of their choices, rights and freedoms. These increased penalties on employers would place an unrealistic burden on many small construction companies throughout the country at a time when they are dealing with surging costs across the board.

Instead of tipping the scales against most of America's small construction businesses, Congress should focus on assisting all of America's workers and businesses as we work towards a full economic recovery. ABC urges Congress to reject the harmful policies included in the budget reconciliation package, abandon this divisive, partisan process and work together and address the ongoing needs of our economy and hardworking Americans. **ABC urges members of the House of Representatives to VOTE NO on H.R. 5376 and will consider this a key vote for the 117<sup>th</sup> Congress.**

Sincerely,

A handwritten signature in black ink that reads "Kristen Swearingen".

Kristen Swearingen  
Vice President, Legislative & Political Affairs