



August 24, 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 the partisan budget reconciliation package that is moving through Congress. ABC is concerned that this proposal will increase taxes on hardworking Americans and implement harmful, unnecessary labor requirements on the nation's construction industry.

As detailed by the Senate's budget resolution, the yet-to-be-written partisan budget reconciliation bill will seek to enact several of the policy priorities laid out in President Biden's American Families Plan. The approximately \$3.5 trillion measure could also impose \$1.75 trillion or more in tax hikes on America's workers and business through repealing and altering critical provisions of the 2017 Tax Cuts and Jobs Act, which could include increasing the corporate tax rate, capping the Section 199A deduction for small businesses, hiking the individual rate and altering the Section 1031 of the tax code like-kind exchange. Preserving these and other job-growing tax provisions included in the 2017 tax law—which have allowed so many in the construction industry to hire more workers, invest in their businesses and provide generous benefits to their employees—will be critical to the ability of the United States to fully recover from the COVID pandemic.

Reports have also indicated that the bill could seek to insert harmful labor provisions in the reconciliation package, which could include increased monetary penalties for employers that “interfere” with workers' union rights, leading to unwarranted and frivolous lawsuits that could have a devastating impact on construction employers. ABC is also concerned with reports that the reconciliation package could make it harder for workers to qualify as independent contractors, limiting the freedoms and flexibility of many workers in the construction industry.

While ABC maintains concerns with certain provisions of the bipartisan Infrastructure Investment and Jobs Act recently passed by the Senate, the bill contains critical elements that will support the modernization of our nation's infrastructure. ABC believes the economic impact and overall success of the IJA would be severely hindered if Democrats continue to pursue the partisan tax hikes and spending measures proposed in their budget resolution.

ABC urges members of the House of Representatives to strive towards more bipartisan legislation that will ensure well-paying jobs for all of America's workers and support the growth of our economy.

Sincerely,

Kristen Swearingen  
Vice President, Legislative & Political Affairs