



September 13, 2018

The Honorable Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady:

On behalf of Associated Builders and Contractors, a national trade association with 70 chapters representing more than 21,000 members, I am writing to express our support for Tax Reform 2.0, which would provide permanency to our nation's tax code and certainty for ABC member companies and their employees. ABC appreciates the important work of the committee in moving this bill forward and building on the successes of the Tax Cuts and Jobs Act (TCJA).

While the TCJA's permanent 21 percent corporate tax rate provides certainty to our C corporations, a clear majority of construction companies rely on the temporary 20 percent deduction for qualified pass-through income to lower their tax rates. Along with the doubling of the estate tax exemption to \$11 million, reductions to individual tax rates and changes to various accounting methods, these provisions are not permanent and will eventually result in a considerable tax hike for our members when they expire. Tax Reform 2.0 provides much needed certainty and parity for our pass-through businesses by making these provisions of the tax law permanent.

Further, the Tax Reform 2.0 package contains important provisions to simplify and improve retirement benefits and promote savings for hard-working American families. ABC members strive to offer competitive retirement plans for their employees and value financial stability for their workers.

Included in the package is a provision to build on the TCJA's expansion of 529 plans to include payments for apprenticeship programs registered with the U.S. Department of Labor (DOL). In the construction industry, there are approximately 500,000 unfilled positions. Currently, the overwhelming majority of 7.8 million U.S. construction professionals are developed through industry-recognized apprenticeships, rather than those registered with DOL. America needs an all-hands-on-deck effort from all industries, including construction, to take advantage of the booming economy and close the skills gap. ABC applauds the committee's efforts to expand 529 plans but urges the committee to consider the expansion to industry-recognized apprenticeships as well to help address this critical issue facing the construction industry.

ABC appreciates the committee's work to help our nation's businesses build on the current economic growth and looks forward to working with Congress to ensure the important goals of Tax Reform 2.0 are passed into law.

Sincerely,

Kristen Swearingen
Vice President of Legislative & Political Affairs