



April 26, 2012

The Honorable Pat Tiberi  
Chairman  
Select Revenue Measures Subcommittee  
Ways and Means Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
Select Revenue Measures Subcommittee  
Ways and Means Committee  
U.S. House of Representatives  
Washington, DC 20515

***Re: Submission for the Record; Hearing on Member Proposals Related to Certain Tax Provisions That Either Expired in 2011 or Will Expire in 2012***

Chairman Tiberi and Ranking Member Neal,

Thank you for holding this hearing on tax provisions that have recently expired or will expire at the end of this year. On behalf of the 7,000 companies that belong to the National Association of the Remodeling Industry (NARI), we are writing to urge your consideration and support for an extension of the 25C home energy efficiency tax credit that was reduced after 2010 and expired at the end of 2011.

NARI is a non-profit trade association based in Des Plaines, Illinois. We have 60 Chapters in major metro areas nationwide and our membership is comprised of remodeling contractors, local suppliers, and national suppliers. NARI's Michigan Chapter has fifty five member companies. Eighty percent of NARI member companies have 20 employees or less. NARI's core purpose is to advance and promote the remodeling industry's professionalism, product and vital public purpose.

The Energy Policy Act of 2005 established a federal tax credit for energy-efficient home improvements (found in section 25C of the tax code). The 30 percent credit applied to energy efficiency improvements for existing homes and the purchase of high-efficiency heating, cooling, and water-heating equipment. Homeowners were able to take a combined credit up to \$1,500 for equipment purchased during a two-year period, until 2010 when the lifetime credit cap was lowered to \$500.

NARI believes that 25C tax credit deserve recognition for its success. In 2009, Internal Revenue Service data indicated that Americans spent \$25.1 billion on remodeling associated with the tax credit. Those expenditures supported 135,540 jobs in the construction and remodeling sectors. In addition, 25C was truly a middle-class tax credit. In 2009, over two-thirds of the households claiming the credit had adjusted gross income of \$100,000 or less.



Every energy efficiency improvement offers an opportunity for trained remodeling professionals to enhance the quality of homeowners' lives. Those projects provide valuable work in the construction sector which is struggling to recover from our economic downturn. The home energy efficiency improvements also save homeowners substantial amounts of money on their monthly energy bills.

We urge the Committee's support for extending the 25C tax credit because it will result in projects that save energy and will have a positive impact on job creation in the construction and manufacturing sectors. Thank you for your consideration.

Sincerely,

Mary Busey Harris, CAE  
Executive Vice President