

June 7, 2004

The Honorable William M. Thomas  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Thomas:

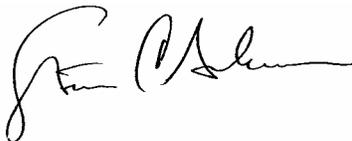
On behalf of the 878,000 restaurant locations nationwide, we support the “American Jobs Creation Act of 2004.” This legislation goes a long way to reform the international tax provisions of U.S. tax law and make other tax changes that will promote U.S. jobs and competitiveness.

In particular, we are very supportive of the provision that would shorten the depreciation schedules for restaurant building improvements to 15 years. Currently, most restaurant buildings have a 39 ½ -year depreciable “life” for the original building and for any subsequent renovations or improvements to the building, resulting in concurrent depreciable lives. This onerous schedule is far longer than the normal use life of the property. In fact, most restaurant buildings must be renovated on an average of every 6-8 years. A 15 year schedule for restaurant improvements will help level the playing field with our competitors. For example, convenience stores – a direct competitor of quick service restaurants – currently enjoy 15-year depreciation schedule for both new construction and improvements.

As an industry that is so critical to this nation’s economy, with a total economic impact equal to approximately 10% of the gross national product, we view this provision as an important component of this “job creation” package. Enactment of your legislation will have a positive influence on the domestic economy, and the restaurant industry is proud to be part of that positive change.

On behalf of the restaurant industry, the largest private sector employer with 12 million employees, thank you for your leadership, and we offer our support and assistance.

Sincerely,



Steven Anderson  
President and Chief Executive Officer



Lee Culpepper  
Senior Vice President,  
Government Affairs and Public Policy

