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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.



July 9, 2014

The Honorable Patrick Tiberi
United States Congress
106 Cannon House Office Building
Washington, DC 20515

Re: Support for H.R. 4718 – Legislation to modify and make permanent bonus depreciation

Dear Congressman Tiberi:

The Associated General Contractors of America (AGC) compliments your efforts and those of the Ways & Means Committee in its gradual approach toward reforming the federal tax code. AGC supports H.R. 4718, which seeks to expand and make permanent bonus depreciation. Construction companies must take a long-term view of their repair-rebuild-replace decisions in order to optimize the value of equipment assets over their full life cycle. Depreciation policy allows for many construction firms to take advantage of this tax deduction to purchase new equipment to replace antiquated machinery, and or meet new safety and emission standards.

AGC's nearly 30,000 member companies are engaged in all forms of non-residential construction and consist primarily of small businesses. When AGC members discuss tax policy, they gravitate towards simplicity and permanency as being critical to their businesses. As the House of Representatives prepares to vote on legislation to extend a number of expired tax provisions, AGC respectfully urges you to include H.R. 4718 as a pro-growth related provision that contributes to job creation, capital formation, and long-term investment for the construction industry.

We thank you for introducing H.R. 4718 to address the needs of construction firms, and urge all Members of Congress to support this important legislation. We hope that this common-sense bill will pass with broad bipartisan support, and amplify the comprehensive tax reform dialogue.

Sincerely,

Jeffrey D. Shoaf
Senior Executive Director
Government Affairs

Cc: John Boehner, Speaker of the House
Nancy Pelosi, House Minority Leader
Chairman Dave Camp, Committee on Ways & Means
Ranking Member Sander Levin, Committee on Ways & Means