

December 7, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable John Boehner
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Democrat Leader
United States House of Representatives
Washington, DC 20515

Dear Congressional Leaders:

On behalf of the member companies we represent, the undersigned associations urge you to support extending the current 100 percent bonus depreciation provision through 2012. Absent Congressional action, this provision will decrease to 50 percent on January 1, 2012.

Given the continued economic uncertainty and high unemployment, we are concerned that expiration of 100 percent bonus depreciation at the end of the year will reduce capital investments and the jobs associated with them. In contrast, allowing businesses to continue to expense the full cost of capital equipment in the tax year it is purchased and placed into service, will promote continued investment and domestic job growth.

Treasury studies have shown the favorable impact of this policy. Many of our member companies have maintained significant investments in the U.S. economy based on the bonus depreciation incentives in place since 2008. Allowing the full benefit of this investment incentive to lapse, which is simply a timing change allowing taxpayers a benefit now rather than in later years, would be another hit on our vulnerable economy.

Bonus depreciation provisions have been instrumental in promoting more investment and draw broad, bipartisan support. Thank you in advance for considering an extension of the current 100 percent bonus depreciation through next year as a way to help bolster our uncertain economy. We look forward to working with you to ensure that this investment incentive is enacted into law.

Sincerely,



Airlines for America



American Trucking Associations



CTIA – The Wireless Association



National Cable & Telecommunications Association



TechAmerica



Telecommunications Industry Association



United States Telecom Association



U.S. Chamber of Commerce



National Association of Manufacturers

CC: The Honorable Max Baucus, Chairman, Senate Finance Committee
The Honorable, Dave Camp, Chairman, House Ways and Means Committee
The Honorable Orrin Hatch, Ranking Member, Senate Finance Committee
The Honorable Sander Levin, Ranking Member, House Ways and Means Committee
Members of the Senate Finance Committee
Members of the House Ways and Means Committee