

Statement of the Metal Construction Association
before the
Subcommittee on Select Revenue Measures

Committee on Ways and Means
United States House of Representatives

On

“Member Proposals Related to Certain Tax Provisions That Either Expired in 2011
or Will Expire in 2012”

April 26, 2012

The Metal Construction Association represents manufacturers, designers, installers and retailers of metal used in construction including energy efficient metal roofs. The MCA encourages the expansion of metal construction by promoting the energy saving and sustainable qualities of its products. We are seeking the extension of the residential energy efficiency tax credit for metal roofs with appropriate pigmented coatings as contained in (25C). The installation of our “cool roof” technology saves energy and provides a positive impact on the economy.

Our member companies have actively promoted and their customers have benefited from the metal roof tax credit that was put in place in the 2005 statute. The MCA is a member of a broader (25C) coalition that seeks an energy efficiency tax credit for qualified products of 10 percent of the purchase (and installation) price up to \$1,000. The \$1,000 uniform tax credit has the advantage of simplicity and is set at a minimal level to provide an economic incentive for consumers to retrofit their homes to be more energy efficient while saving significant amounts of energy. While we support this proposal, we also continue to support the extension of our current tax credit as contained in (25C). Whatever tax credit approach is adopted, it is important to the success of the program that there be continuity and reliability in the program to provide both contractors and consumers a dependable path forward.

Economic Impact of Cool Roof Technology in Home Retrofits

Using IRS tax data, it can be demonstrated that the net economic impact of the cool roof technology tax credit has been significant. Total spending on eligible metal roofs with pigmented coatings has increased from \$197 million in 2006 to over \$2 billion in 2009. Along with energy efficient air conditioners and furnaces, metal roofs with appropriate pigmented coatings are the fastest growing sector of home energy efficiency retrofits. Based on an economic model developed at the National Association of Home Builders* that utilizes IRS data, in 2009 alone, 12,200 jobs were created in the construction and installation of qualified energy efficient metal roofs in instances where consumers utilized the (25C) tax credit. These jobs paid out approximately \$1.2 billion in wages for the workers and approximately \$675 million in net business income.

Conclusion

The data indicates that the (25C) programs are working in general and that the cool roof energy efficiency tax credits in particular are offering incentives to consumers to save energy while creating thousands of jobs during a time of high employment.

*The NAHB model may be found at: <http://nahb.org/generic.aspx?sectionID=734&genericContentID=103543&channeled=311>

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