



April 19, 2023

The Honorable Jason Smith  
Chairman  
House Committee on Ways and Means  
1139 Longworth House Office Building  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

Chairman Smith, Ranking Member Neal and members of the House Ways and Means Committee:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 68 chapters representing more than 22,000 member companies, I write to comment on the committee's "Hearing on the U.S. Tax Code Subsidizing Green Corporate Handouts and the Chinese Communist Party" and express ABC concerns regarding the partisan tax provisions included in the Inflation Reduction Act.

ABC opposed the reconciliation package last Congress due to concerns that the increased spending and tax hikes included in the bill could further harm our nation's economy, exacerbate inflation and cost American jobs. Further, the new, restrictive labor policies included in the law make the IRA even more damaging to the thousands of U.S. small businesses in the construction industry.

The IRA's modification of several clean energy and energy efficiency incentives provides two different tax credit values: a base rate and an alternative or bonus rate. The bonus rate equals five times the base rate and applies to projects that meet both prevailing wage and apprenticeship requirements. ABC believes this new bonus credit penalizes employers that believe in fair and open competition and pay wages based on experience, quality and market rates. They also limit opportunities for thousands of construction workers who choose not to join a union and industry-recognized apprentices.

As the construction industry continues to face supply chain delays, high costs of materials and gas prices, workforce shortages and an overly burdensome regulatory agenda, ABC believes that the anti-competitive policies included in the IRA will continue to handicap open shop construction contractors and jeopardize the nation's energy projects at this critical time.

Repealing these ill-advised tax credits will not only save taxpayer dollars but will also give Congress a new opportunity to work toward bipartisan energy incentives to unleash America's potential and allow our entire qualified construction workforce to meaningfully participate in critical projects across the country. ABC appreciates the opportunity to comment on this important issue and appreciates the committee's consideration of our concerns.

Sincerely,

Kristen Swearingen  
Vice President, Legislative & Political Affairs