



KEY VOTE

July 31, 2012

United States House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of Associated Builders and Contractors (ABC), a national association with 74 chapters representing 22,000 merit shop construction and construction-related firms, I am writing to express strong support for legislation introduced by Chairman Dave Camp (R-MI) that would forestall a massive tax increase on America's job creators while providing a path to needed reform. **ABC urges Representatives to support H.R. 8 and H.R. 6169, respectively, and will consider each vote a "KEY VOTE" for our 112th Congressional Scorecard.**

Per the National Federation of Independent Businesses, 14 percent of small business employers will see a double digit rate increase under Senate-passed S. 3412, foisting a large tax hike on nearly one million job creators at the worst possible time. According to a new study by Ernst & Young, these tax increases would cost more than 700,000 American jobs and reduce the economy by 1.3 percent while diminishing capital investment and lowering wages on the very middle class the bill is meant to support. With roughly 80 percent of commercial contractors paying business income taxes at the individual level, this scenario would disproportionately harm the construction industry.

Worse yet, with the resurgent estate tax burden poised to harm family businesses across the spectrum, uncertain business owners would be faced with an escalated 55 percent rate and a severely diminished \$1 million exemption. According to the National Small Business Association, one-third of all small business owners would be forced to sell outright or liquidate a significant portion of their company to pay this punitive tax. In a capital-intensive industry such as construction, with a large proportion of closely-held and family-owned businesses, a reversion to pre-2001 estate tax levels would be nothing short of disastrous.

Rather than exposing American taxpayers and job creators to a perilous fiscal cliff, Congress must act swiftly to extend current policies as a bridge to comprehensive tax reform. The Camp package would do just that, continuing the 2001 and 2003 rates while abiding by the bipartisan estate tax compromise reached in 2010 and providing for a path to reform the code. Absent these changes, the underlying bill would amount to a massive tax hike on business income, capital investment, and family succession.

ABC urges your support of H.R. 8 and H.R. 6169, and will consider each a "KEY VOTE" for our 112th Congressional Scorecard.

Sincerely,

Geoffrey Burr
Vice President, Federal Affairs