



April 15, 2026

The Honorable Roger Williams  
Chair  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nydia Velázquez  
Ranking Member  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Williams, Ranking Member Velázquez and Members of the U.S. House Committee on Small Business:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 67 chapters representing 24,000 members, I write today in strong support of the Working Families Tax Cuts and the broader pro-growth tax policies that are essential to the health of small business contractors.

ABC appreciates the committee's focus on the role tax policy plays in strengthening Main Street. For construction businesses, many of which operate as pass-through entities and family-owned firms, tax certainty is not an abstract policy goal. It directly affects whether contractors can hire more workers, invest in equipment, expand operations and take on new projects in communities across the country.

The construction industry depends on stable, pro-investment tax policy to plan for the future. The scheduled expiration of key tax provisions would have had serious consequences not only for ABC members, but for the broader construction market. Preserving and strengthening these policies ensures the continued success and economic prosperity of an industry that builds and maintains America's infrastructure, commercial space, housing and energy projects.

ABC particularly supports the following provisions:

#### **Making the Small Business Deduction Permanent and Stronger**

Locking in the Section 199A deduction is critical for ABC members, the majority of which are pass-through businesses. A permanent, strengthened deduction allows contractors to reinvest in their companies, purchase materials and equipment, expand payrolls and compete for new work without the threat of future tax increases undermining long-term planning.

#### **Permanent Estate Tax Relief**

Many construction companies are family-owned businesses built over generations. Protecting these firms from destructive estate tax burdens helps preserve jobs, institutional knowledge and local ownership. It allows business owners to pass their companies on to the next generation rather than forcing the sale or breakup of productive enterprises that support workers and communities.

#### **Restoration of 100% Bonus Depreciation**

Construction is a capital-intensive industry that relies on heavy equipment, vehicles, tools, software and technology to remain efficient and competitive. Restoring immediate expensing through 100% bonus depreciation gives contractors a strong incentive to invest in modern equipment and innovative technologies that improve productivity, safety and project delivery. This is especially important in an industry where capital costs are substantial and modernization is essential to growth.

**Revived Expensing of R&D Costs**

Permanently allowing taxpayers to immediately deduct domestic research expenditures supports innovation throughout the construction sector. Contractors are increasingly adopting new building methods, materials, safety systems, digital tools and project delivery technologies. Immediate expensing of these investments helps businesses innovate and improve performance while remaining competitive.

**No Tax on Overtime for American Workers**

The construction industry relies on hardworking men and women who often put in extra hours to meet project demands and keep critical work moving. Exempting overtime pay from federal income tax provides meaningful tax relief to these workers, rewards productivity and helps contractors attract and retain the skilled workforce necessary to keep America building.

**Expanded 529 Plans for Skilled Trades Training**

Expanding 529 savings plans to cover training programs and credentials in the skilled trades is a major step forward for workforce development. The construction industry faces an ongoing need for skilled craft professionals, and this provision would help more young Americans pursue rewarding careers in construction without taking on burdensome debt. It recognizes that pathways to economic opportunity include not only four-year degrees, but also high-quality training in the trades.

For Main Street construction businesses, these policies create the certainty and competitive environment needed to invest, grow and plan for the future with confidence. They strengthen small and family-owned businesses, support workforce development, encourage capital investment and help contractors continue delivering the projects that drive economic growth nationwide.

ABC appreciates the committee's leadership on this important issue and looks forward to working with Congress to advance tax policies that strengthen the construction industry, empower America's workforce and support a growing economy.

Sincerely,



Kristen Swearingen  
Vice President, Government Affairs