



January 18, 2024

**Support H.R. 7024, the Tax Relief for American Families and Workers Act of 2024
Extension of R & D, Bonus Depreciation and 179 Expensing Reform**

Dear Members of Congress:

The National Electrical Contractors Association (NECA) is a national trade association and the leading voice of the \$225 billion electrical contracting industry that brings power, light, and communication technology to buildings and communities across America. NECA collectively represents over 4,000 electrical contractor members served by 118 local Chapters across the country.

On behalf of our members, we are expressing our strong support for H.R. 7024, the Tax Relief for America's Families and Workers Act. This bill would extend and reform crucial elements of the tax code such as the R&D credit, bonus depreciation, and equipment expensing. H.R. 7024 is currently awaiting markup in the Ways and Means Committee. The construction industry has seen significant growth over the past few years through public and private sector investments. These investments have the potential to accelerate America's energy production, manufacturing capacity, and new construction for decades to come. The reauthorization and extension of 100% bonus depreciation and R&D equipment expensing will allow NECA contractors to capitalize on these investments by ensuring tax stability for their businesses.

NECA is particularly pleased to see that H.R. 7024 includes three key tax incentive provisions crucial for our member companies:

- **Retroactive Extension of the 100% Bonus Depreciation:** This would restore the 100% bonus depreciation for qualified property, replacing the current 20% annual phase-down that took effect on January 1, 2023.
- **Retroactive Extension and Permanence for 174 Research and Development Expenditures:** This provision would allow companies to immediately deduct R&D expenses instead of amortizing them over five years.
- **Expand Section 179 expensing and interest deductibility for small businesses:** This would increase the maximum eligible amount of investment and extending the point at which the benefit phases out.

The investments made by Congress through the Bipartisan Infrastructure Law, CHIPs and Science Act, along with enhanced tax credits provided by the Inflation Reduction Act has

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

1201 PENNSYLVANIA AVE., N.W. * Suite 1200 * WASHINGTON, D.C. 20004 * 202 991 6300

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spurred massive growth in the construction sector. As a result, our contractors are experiencing unprecedented demand for expensive yet highly efficient new equipment. During this period of working and bidding on the nation's largest projects, the lapse of these three key provisions in the tax code presents significant operational challenges.

NECA urges you to support H.R. 7024, particularly the extension of the 174 R&D credit, bonus depreciation, and 179 equipment expensing reforms. The passage of the *Tax Relief for America's Families and Workers Act* is crucial for sustaining these vital tax incentives in the nation's building and construction industry both now and in the future.

If you or anyone on your staff has any questions, please contact Jared Karbowsky, Director of Government Affairs, at jared.karbowsky.necanet.org.

Sincerely,

Marco Giamberardino
Senior Vice President
Government and Public Affairs

