



April 25, 2025

The Honorable Jason Smith
Chairman
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Crapo
Chairman
Senate Committee on Finance
239 Dirksen Senate Office Building
Washington, DC 20510

RE: Budget Reconciliation and Renewal of Small Business Tax Incentives

Dear Chairman Smith and Chairman Crapo:

The National Demolition Association (NDA) represents nearly 500 U.S. and Canadian companies that offer standard demolition services as well as a full range of demolition-related services and products. NDA educates members on the latest advances in equipment and services, provides educational programs and tools to stay abreast of regulatory and safety matters and keeps regulators informed about issues in our industry. NDA also increases public awareness of the economic and societal benefits of demolition.

NDA writes today to advocate for the extension of several key incentives from the 2017 Tax Cuts and Jobs Act (TCJA) that are set to expire at the end of this year. Most demolition contractors conduct business in such a way that their income is taxed at the individual level, commonly referred to as pass-through entities. These small and medium-sized employers would be significantly affected by higher marginal tax rates and the expiration of critical incentives from the 2017 Tax Cuts and Jobs Act that would increase taxes on small businesses.

As your respective committees work to craft new tax legislation in the coming weeks, NDA urges Congress to prioritize tax policies that will unleash economic growth and support job creation. Providing businesses with certainty and a predictable planning outlook as it pertains to tax incentives is one of the most effective methods for strengthening American economic competitiveness. NDA supports a simplified tax code that will empower demolition contractors to expand their businesses and create quality jobs for hardworking Americans. Below are several important tax provisions for your committees to consider as they draft new tax legislation this year.

- **Extend Existing Federal Income Tax Rates:** Most demolition contractors operate as pass-through businesses and would be negatively impacted by increases in marginal tax rates. Congress should look to preserve and extend existing federal income tax rates from the TCJA.
- **Extend Section 199A Qualified Business Income Deduction:** The TCJA created section 199A which provides owners of sole proprietorships, partnerships, and S corporations a 20% deduction of income from a qualified trade or business. With many demolition contractors organized as pass-through entities, section 199A has proved critical to the success and growth of the demolition industry. New tax legislation should provide for the continuation of Section 199A which will allow small businesses to continue to grow and create jobs.

- **Support Section 179 Expensing:** This tax provision allows businesses to expense the full purchase price of qualified assets in the year it was acquired and placed into service, rather than depreciating the asset over several years. The TCJA increased the maximum deduction to \$1 million and increased the phase-out threshold to \$2.5 million (adjusted for inflation). Congress should continue to support the enhanced section 179 provision which enables demolition contractors to invest in new capital purchases for their businesses.
- **Renew 100% Bonus Depreciation:** The 2017 tax law allowed businesses to immediately write off 100% of the cost of qualified assets acquired and placed in service through 2022. The 100% allowance has decreased by 20% per year since 2023 and will fully expire after 2026. Congress should renew the 100% bonus depreciation provision to help stimulate new business investments in equipment and qualified property.
- **Preserve Death Tax Exemption:** Since many demolition businesses are family-owned, it is important that Congress preserve the existing death tax exemption from the TCJA to ensure family-run businesses can continue to thrive in future generations. NDA also supports permanent repeal of the death tax.
- **Oppose Increases to Corporate Tax Rate:** Oppose any increases to the existing corporate tax rate which will allow American businesses to remain globally competitive and keep jobs and capital investment in the United States.

Thank you for your attention to this important issue and we look forward to working closely with your committees to pass tax legislation that will strengthen the demolition industry and grow the American economy. If you have any questions, please contact NDA's Director of Government Affairs Alex McIntyre at amcintyre@demolitionassociation.com.

Sincerely,



Jeff Lambert
Chief Executive Officer
National Demolition Association (NDA)