

August 4, 2022

Dear Senator:

We, the undersigned trade associations, representing hundreds of thousands of businesses across the nation that collectively employ millions of Americans, write to express our opposition to the inclusion of a tax on the financial statement income of certain businesses (“book tax”) in H.R. 5376, the “Inflation Reduction Act” reconciliation legislation.

Economic analyses demonstrate the harmful impact of this provision. The nonpartisan Joint Committee on Taxation found that nearly 50% of the burden of this tax would fall on manufacturers. The National Association of Manufacturers found that in 2023 alone this would result in 218,108 fewer jobs, reduce real GDP by \$68.45 billion and decrease total wages by \$17.11 billion.

Accelerated depreciation – the ability to recover the cost of acquiring an asset over a short time span, sometimes as soon as the year of purchase – has been in the tax code in some form since at least 1958. This policy encourages companies to invest in capital assets, like machinery and equipment, that power long-term economic growth. But unlike the tax code, the financial accounting rules upon which a book tax is based require depreciation over the useful life of an asset. As such, a book tax would effectively eliminate this long-established incentive to invest in the United States.

It is clear that a book tax would threaten American competitiveness. The broad impact of this measure is reflected in the group of undersigned stakeholders. As such we respectfully encourage the Senate oppose a book tax in the final reconciliation legislation.

Signed,

African American Chamber of Commerce W. PA
AICC, The Independent Packaging Association
Alaska Chamber
Alliance of Wyoming Manufacturers
American Bakers Association
American Cleaning Institute
American Composites Manufacturers Association
American Exploration and Production Council
American Forest & Paper Association
American Petroleum Institute (API)
AMT- The Association For Manufacturing Technology
AR State Chamber/AIA
Arizona Bioindustry Association, Inc. (AZBio)
Arizona Builders Alliance
Arizona Chamber of Commerce & Industry
Arizona Farm and Ranch Group
The Arizona Manufacturers Council
Arizona Transportation Builders Association
Associated Equipment Distributors
Associated Industries of Florida
Associated Industries of Massachusetts
Associated Industries of Missouri

Association of Washington Business
Brick Industry Association
Business & Industry Association of New Hampshire
Business Council of Alabama
The Business Council of New York State, Inc.
Business Roundtable
California Manufacturers & Technology Association
Can Manufacturers Institute
Capital Area (MI) Manufacturing Council
Central Fairfax Chamber of Commerce
Chandler (AZ) Chamber of Commerce
Cherokee County (SC) Chamber of Commerce
Chester County Chamber (PA) of Business and Industry
Clarksville Lake Country (VA) Chamber of Commerce
Colorado Chamber of Commerce
Composite Panel Association
Connecticut Business & Industry Association (CBIA)
Council Bluffs Area (IA) Chamber of Commerce
Council of Industry of Southeastern New York
Delaware Manufacturing Association
ECIA - Electronic Components Industry Association
Fabricators and Manufacturers Association, International
Fayette (PA) Chamber of Commerce
Forging Industry Association
Global Cold Chain Alliance
Greater Flagstaff (AZ) Chamber of Commerce
Greater Green Bay Chamber
Greater North Dakota Chamber
Greater Reading (PA) Chamber Alliance
Greater Sioux Falls Chamber of Commerce
Greater Yakima (WA) Chamber of Commerce
Hanover Area (PA) Chamber of Commerce
Hardwood Federation
Henderson (NV) Chamber of Commerce
Idaho Association of Commerce and Industry
IgniteLI, the Manufacturing Consortium of Long Island
Illinois Manufacturers' Association
INDA, the Association of the Nonwoven Fabrics Industry
Independent Lubricant Manufacturers Association
Independent Petroleum Association of America (IPAA)
Indiana Manufacturers Association
Industrial Packaging Alliance of North America
International Bottled Water Association
International Sign Association
Iowa Association of Business and Industry
IPC – Build Electronics Better
Juvenile Products Manufacturers Association
Juniata River Valley (PA) Chamber of Commerce
Kansas Chamber of Commerce
Lansing Regional Chamber of Commerce
Las Vegas Asian Chamber of Commerce

Latin Chamber of Commerce Nevada
Louisiana Association of Business and Industry
Manufactured Housing Institute
Manufacturing Alliance of Philadelphia
Marshall Area (MN) Chamber of Commerce
Maryland Chamber of Commerce
Metals Service Center Institute
Metal Treating Institute
Metal Powder Industries Federation
Michigan Manufacturers Association
Minnesota Chamber of Commerce
Minnesota Manufacturers' Coalition
Mississippi Manufacturers Association
Montana Chamber of Commerce
Murray County (GA) Chamber of Commerce
National Association of Manufacturers
National Lumber & Building Material Dealers Association
National Mining Association
National Stone, Sand & Gravel Association
National Waste & Recycling Association
NC Chamber
Nebraska Chamber of Commerce & Industry
Nevada Manufacturers Association
New Mexico Business Coalition
Next Generation Manufacturing (GA)
New Jersey Business and Industry Association (NJBIA)
Non-Ferrous Founders' Society
North American Association of Food Equipment Manufacturers (NAFEM)
North American Meat Institute
North Carolina Manufacturers Alliance (NCMA)
North Clackamas County (OR) Chamber of Commerce
Northeast PA Manufacturers & Employers Association
The Ohio Manufacturers' Association
Oregon Business & Industry
Pennsylvania Manufacturers' Association
Petroleum Equipment Institute
Plastics Industry Association
Precast/Prestressed Concrete Institute
Precision Machined Products Association
Rhode Island Manufacturers Association
Schuylkill Chamber of Commerce
SOCMA
Somerset County (PA) Chamber of Commerce
South Carolina Chamber of Commerce
South Carolina Manufacturers Alliance
Specialty Equipment Market Association (SEMA)
State Chamber of Oklahoma
Steel Manufacturers Association
Tennessee Chamber of Commerce and Manufacturers Association
Texas Association of Manufacturers
Tri-County (SC) Regional Chamber of Commerce

U.S. Chamber of Commerce
Utah Manufacturers Association
Vegas Chamber
Virginia Manufacturers Association
Water and Wastewater Equipment Manufacturers Association
Window & Door Manufacturers Association
Wisconsin Manufacturers & Commerce