



Roofing Industry Supports Pro-Growth Tax Policy

The roofing industry is an essential \$100 billion sector with nearly 1 million employees that is vital to addressing affordable housing and repairing and maintaining schools, hospitals and other critical infrastructure nationwide. Pro-growth tax policies allow employers to invest back into their employees, businesses and communities. This investment manifests itself in a variety of ways, including higher wages for employees, expanded employee benefits, new business equipment and work vehicles, and charitable contributions within the community.

Support the Main Street Tax Certainty Act

Currently, many owners of sole proprietorships, partnerships and S corporations may deduct up to 20% of their qualified business income. This deduction—referred to as the Section 199A deduction, or the QBI deduction—is set to expire at the end of 2025. The Main Street Tax Certainty Act (H.R. 4721/S. 1706) is simple: It makes permanent this vital tax provision and continues parity in the tax code for corporations and pass-through businesses.

During the 2017 tax reform debate, pass-through business owners were successful in securing tax relief comparable to the reduction in the corporate rate. This deduction allows pass-through business owners to deduct up to 20% of their QBI when determining their personal tax liability.

Section 199A is an essential part of the tax code. Without it, individually- and family-owned Main Street businesses would pay significantly higher taxes, putting them at a competitive disadvantage and accelerating the economic consolidation taking place in our economy. Main Street businesses are the backbone of the economy, and those organized as pass-through entities employ the most private-sector workers and comprise 95% of all businesses.

To ensure this focus on job creation and investment, Section 199A limits the deduction for larger pass-through businesses to those that have significant employment and investment levels. If a large pass-through business doesn't create jobs and invest in its community, it doesn't get the deduction. Section 199A's laser focus on real businesses with real employees helped motivate the introduction of bipartisan legislation, the Main Street Tax Certainty Act, to make the deduction permanent.

Support the American Innovation and R&D Competitiveness Act

The American Innovation and R&D Competitiveness Act (H.R. 2673/S. 866) permanently restores the ability for businesses to immediately deduct their research and development expenses, which currently must be amortized over five years for domestic companies. Congress should quickly advance bicameral, bipartisan legislation that would ensure the tax code once again supports innovation, one of our nation's greatest strengths and a major contributor to job and economic growth, competitiveness and national security.

It is for these reasons that for nearly 70 years the tax code has recognized the importance of research and development by allowing businesses to fully deduct their R&D expenses in the same year. Failing to reverse this recent change will cost well-paying jobs and reduce future innovation-directed R&D. In fact, currently the U.S. is now one of only two developed countries requiring the amortization of R&D expenses.

Request: Support pro-growth tax reform by co-sponsoring the Main Street Tax Certainty Act and the American Innovation and R&D Competitiveness Act.

For questions, please contact NRCA's Washington, D.C., office at (202) 546-7584 or (800) 338-5765.