

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 Producers of America  
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