



March 23, 2020

The Honorable Mitch McConnell
Majority Leader
317 Russell Senate Office Building
Washington, D.C.

The Honorable Chuck Schumer
Minority Leader
322 Hart Senate Office Building
Washington, D.C.

The Honorable Nancy Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, D.C.

The Honorable Kevin McCarthy
Minority Leader
2468 Rayburn House Office Building
Washington, D.C.

Dear Lawmakers:

I am writing today on behalf of the lumber and building material dealer industry, which is essential to the COVID-19 response and the domestic American economy. NLBMDA with its state and regional association partners represent over 6,000 building material retail locations nationwide who operate single and multiple lumber yards and component plants serving homebuilders, subcontractors, general contractors, and consumers in the new construction, repair and remodeling of residential and light commercial structures.

The lumber and building material (LBM) dealer industry is vital to the U.S. economy and is critical during this time of economic uncertainty. NLBMDA is dedicated to working closely with you as you craft a response package. To assist you with that process, we have identified several important policy proposals that you should include in any stimulus packages and have detailed them below:

1. Establish a minimum 4% Low-Income Housing Tax Credit (LIHTC) rate;
2. Temporary payroll tax elimination;
3. Increase the Small Business Administration's (SBA) 7(a) loan program by \$50 billion;
4. Allow investors to utilize FHA 203(k) loans;
5. Qualified Improvement Property (QIP) Fix.

We call specific attention to the inclusion of language to resolve the drafting error from the Tax Cuts and Jobs Act that, when fixed, will allow interior improvements to commercial buildings, known as qualified improvement property, to be eligible for 100 percent bonus depreciation. This was the result of a drafting error in the Tax Cuts and Jobs Act, and caused businesses to delay, and even turn down, investment opportunities that they otherwise would have pursued.

This, along with support for the LIHTC, is a vital issue for NLBMDA and the nation's LBM dealers. We urge you to include all of these priorities in any stimulus legislation you pass in the coming days.

Thank you for your consideration of this important matter. Please contact Kevin McKenney, Director of Government Affairs, at kevin@dealer.org with any questions.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Paine". The signature is written in a cursive style with a large, looping initial "J".

Jonathan M. Paine, CAE
President & CEO

cc:

Building Material Suppliers Association
Construction Suppliers Association
Florida Building Material Association
Kentucky Building Materials Association
Lumbermen's Association of Texas
Midwest Building Suppliers Association
Mid-America Lumbermen Association
Mountain States Lumber & Building Material Dealers Association
Northeastern Retail Lumber Association
Northwestern Lumber Association
Western Building Material Association
West Coast Lumber & Building Material Association