PERSPECTIVE:

A Tax Structure That Supports Growth

NSSGA®
NATIONAL STONE, SAND & GRAVEL ASSOCIATION

A tax code that encourages investments in infrastructure development and allows families and businesses operating quarries to continue to create and support high-paying jobs is critical to a growing economy. NSSGA supports sensible reforms to our tax laws that remove undue burdens and allow for innovation in the aggregates industry. NSSGA will continue working with Congress and the Biden administration on tax code changes benefitting the stone, sand and gravel industry, and we vigorously oppose any provisions that would unduly and adversely impact aggregates operators, including:

Percentage Depletion: NSSGA will continue to oppose legislative efforts to repeal the percentage depletion allowance. Having been incorporated into the tax code since 1926, this important provision incentivizes aggregates producers to make new investments by providing a 5 percent capital cost recovery method for sand, gravel and crushed stone development. Eliminating this provision will further drive cost increases for end users of aggregates.

Bonus Depreciation: Aggregates producers make costly investments in heavy equipment and machinery to properly run their quarries that support our nation's manufacturing economy and are critical to ensuring the materials that create our infrastructure are available and competitively priced. Currently, the bonus depreciation allowance is slated to expire January 1, 2023. NSSGA supports permanent expansion of this important tool that provides aggregates operators the certainty to make necessary capital investments that create jobs and grows our economy.

Corporate Tax Rate: Corporate tax rates must remain globally competitive to allow American labor and materials to compete on a level playing field. NSSGA supports maintaining the current Corporate Federal Tax Rate of 21percent, without the burdensome complexity of an additional minimum tax. NSSGA also supports efforts to incentivize American manufacturing which is critical to our economic prosperity.

Small Business Deduction: NSSGA supports the permanent extension of the 199A 20-percent deduction for qualified business income. 70 percent of NSSGA members are small producers and family owned operations that have supplied their local communities for generations. Section 199A is scheduled to sunset at the end of 2025 and bringing needed certainty to small businesses will help to further unleash American ingenuity and growth that is powered by small businesses.

IN BRIEF:

NSSGA supports sensible reforms to our tax laws that remove undue burdens and allow for innovation in the aggregates industry. We vigorously oppose any provisions that would unduly and adversely impact aggregate operators.

Capital Gains Tax: Encouraging risk taking including investments in innovation and infrastructure has always been a hallmark of the U.S. tax system. The current preference for capital gains should be continued without any income phaseout that would disproportionally affect small family businesses like those in the aggregates industry.

Estate Tax: NSSGA supports a full repeal of the 40 percent federal estate or "death" tax, which is levied on estates valued greater than $5 million at the time of death. NSSGA supported passage of the Tax Cuts and Jobs Act in 2017, which doubled the exclusion from $5 million to $10 million (adjusted for annual inflation) through 2025.

ABOUT NSSGA: *Aggregates are the second most utilized product in the world and are the foundation to create buildings, roads, airports and bridges. They are indispensable in developing the infrastructure needed to access clean water; deliver reliable energy; and advance environmental stewardship. The National Stone, Sand & Gravel Association (NSSGA) represents more than 90 percent of the crushed stone and 70 percent of the sand and gravel produced annually in the United States.*

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