

January 31, 2024

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Hakeem Jeffries  
Minority Leader  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Jason Smith  
Chairman  
House Committee on Ways and Means  
Washington, D.C. 20515

The Honorable Ron Wyden  
Chairman  
Senate Finance Committee  
Washington, D.C. 20510

**Re: Tax-Related Provisions Contained in the Tax Relief for American Families and Workers Act of 2024—H.R. 7024**

Dear Speaker Johnson, Majority Leader Schumer, Minority Leader Jeffries, Minority Leader McConnell, Chairman Smith, and Chairman Wyden:

The American Bankers Association (ABA) welcomes and strongly supports several provisions contained in the *Tax Relief for American Families and Workers Act of 2024* (H.R. 7024), which was favorably reported out of the House Ways and Means Committee on January 19. Extending and enhancing the following provisions will help banks further strengthen an economic climate that incentivizes growth, innovation, and entrepreneurship:

- **Extending the IRC Section 163(j) interest deductibility calculation based on EBITDA instead of EBIT.** Rising interest rates have hurt borrowers, businesses, and workers. By allowing businesses to use the broader EBITDA standard to deduct their net interest expense under IRC Section 163(j), these companies will be able to grow—generating jobs and growing America’s economy.
- **Extending 100 percent expensing for equipment, machinery, and vehicles (“bonus depreciation”).** Bonus depreciation is a pivotal tax incentive for many bank customers—including many small businesses. Extending bonus depreciation will help support these businesses, spur domestic investment and create valuable new jobs.
- **Extending the ability for companies to immediately deduct research and development (R&D) costs.** Allowing banks and their customers to expense their



R&D costs will spur domestic innovation, encourage entrepreneurship, and keep America competitive on the global economic stage.

- **Strengthening the Low-Income Housing Tax Credit (LIHTC).** Banks are the primary investors for many affordable housing credits, including LIHTCs. Restoring the 12.5% LIHTC allocation increase and lowering the 50% bond financing threshold to 30% would allow banks to support much-needed affordable rental housing across the nation, increasing by roughly 200,000 the number of affordable homes that would otherwise be available.

We encourage Congress to advance these legislative provisions for prompt consideration and action. We would be pleased to meet with you and your staff to discuss these critical policies.

Sincerely,

A handwritten signature in black ink that reads "Naomi Camper".

Naomi Camper  
Chief Policy Officer  
American Bankers Association