

May 13, 2025

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

The Honorable Richard Neal  
Ranking Member  
House Committee on Ways and Means  
Washington, D.C. 20515

Re: Tax-Related Provisions Proposed for Inclusion in the Concurrent Resolution on the Budget for Fiscal Year 2025, H. Con. Res. 14.

Dear Chairman Smith and Ranking Member Neal:

The American Bankers Association (ABA) welcomes and strongly supports many provisions contained in the *Budget Reconciliation Legislative Recommendations Related to Tax* scheduled for markup in the House Ways and Means Committee on Tuesday, May 13, 2025.

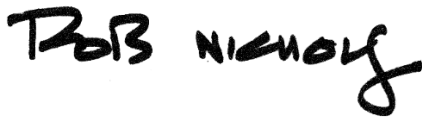
ABA specifically supports and thanks the committee for the following provisions:

- **Making Permanent and Enhancing the Section 199A Deduction.** Many banks are organized as S-corporations (“pass-through” businesses), and many of these banks are community banks that play a vital role in local economic development. Making permanent and expanding the Section 199A pass-through deduction will help these banks remain financially strong, supporting their ability to lend to small businesses and individuals in their communities, especially under-served rural areas.
- **Enacting ACRE.** The ACRE Act (H.R. 1822, the Access to Credit for our Rural Economy Act of 2025) aims to revitalize America’s rural communities by making it easier for farmers, ranchers and rural families to access low-cost credit. By including a modified version of the ACRE Act, this legislation would provide some tax relief on income earned from interest on new agricultural real estate loans and new loans for rural residences in a population area of less than 2,500 people with a mortgage value of less than \$750,000.
- **Extending and Enhancing the Estate Tax Exemption.** Without an extension of the estate tax exemption, many family-owned community banks and small businesses would face the threat of having to liquidate or divest simply to generate liquidity to pay a tax bill. Extending and enhancing the estate tax exemption will spur investment and promote growth in communities throughout the nation.
- **Extending the GILTI, FDII, and BEAT Rates.** By making permanent the preferential rates on global intangible low-taxed income (GILTI) and foreign-derived intangible income (FDII)—and by extending the current base-erosion and anti-abuse tax (BEAT) rates—Congress would enable banks and bank customers to continue to drive economic growth and job creation, while simultaneously offering certainty and clarity for long-term business planning.

- **Strengthening the Low-Income Housing Tax Credit (LIHTC).** Banks are the primary investors for many affordable housing credits, including LIHTCs. Increasing the state housing credit ceiling and modifying the tax-exempt bond financing requirement would allow banks to support much-needed affordable rental housing across the nation.

We encourage the House Committee on Ways and Means to promptly advance these legislative provisions. We would be pleased to meet with you and your staff to further discuss these critical policies at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Rob Nichols". The signature is written in a cursive, slightly stylized font.

Cc: Speaker Mike Johnson, Majority Leader John Thune, Minority Leader Hakeem Jeffries, Minority Leader Chuck Schumer, Chairman Mike Crapo, Ranking Member Ron Wyden