

June 29, 2025

The Honorable John Thune  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

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

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

Re: Tax-Related Provisions Proposed for Inclusion in the Reconciliation Bill

Dear Majority Leader Thune, Speaker Johnson, Minority Leader Schumer, and Minority Leader Jeffries:

The American Bankers Association (ABA) welcomes and strongly supports many provisions contained in the Senate Budget Committee's text for H.R. 1, the "One Big Beautiful Bill Act."

ABA supports and appreciates inclusion of the following provisions:

- **Enacting a narrow provision of ACRE.** Enacting a narrow version of the ACRE Act (S. 838/ H.R. 1822, the Access to Credit for our Rural Economy Act of 2025) will help revitalize America's rural communities by making it easier for farmers and ranchers to access low-cost credit.
- **Making permanent 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 the Section 199A pass-through deduction permanent 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.
- **Permanently extending an Enhanced 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.
- **Strengthening the Low-Income Housing Tax Credit (LIHTC).** Banks are the primary investors for many affordable housing credits, including LIHTCs. By permanently increasing the state housing credit ceiling and modifying the tax-exempt bond financing requirement, banks will be able to support much-needed affordable rental housing across the nation.
- **Making permanent the New Markets Tax Credit (NMTC).** By making the NMTC program permanent, banks will continue to be able to deliver substantial investment and

to promote economic growth in economically distressed rural, urban, and tribal communities—and our nation's small businesses and investors will continue to have consistent access to the vital resources needed to improve our nation's communities while generating long-term economic growth throughout the country.

- **Making permanent the ability for businesses to immediately expense domestic research and development (R&D) costs.** Allowing banks and their customers to expense their R&D costs spurs domestic innovation, encourages entrepreneurship, and keeps America competitive on the global economic stage.
- **Making permanent 100 percent expensing for equipment, machinery, and vehicles (“bonus depreciation”).** Bonus depreciation is a pivotal tax incentive for many banks and bank customers. Making permanent bonus depreciation will help spur domestic investment and generate valuable new jobs in America.
- **Making permanent the Section 163(j) interest deductibility calculation based on EBITDA instead of EBIT.** By allowing businesses to use the broader EBITDA standard to deduct their net interest expense under Section 163(j), these companies will be able to reinvest in themselves—generating jobs and growing America’s economy.
- **Reducing the Consumer Financial Protection Bureau’s funding cap.** This changes the funding mechanism of the CFPB while preserving its ability to fulfil its statutory obligations.

We encourage Congress to promptly advance these legislative provisions to provide much needed tax relief for American taxpayers and businesses.

Sincerely,

American Bankers Association  
Alabama Bankers Association  
Alaska Bankers Association  
Arizona Bankers Association  
Arkansas Bankers Association  
California Bankers Association  
Colorado Bankers Association  
Connecticut Bankers Association  
DC Bankers Association  
Delaware Bankers Association  
Florida Bankers Association  
Georgia Bankers Association  
Hawaii Bankers Association  
Idaho Bankers Association  
Illinois Bankers Association  
Indiana Bankers Association  
Iowa Bankers Association

Kansas Bankers Association  
Kentucky Bankers Association  
Louisiana Bankers Association  
Maine Bankers Association  
Maryland Bankers Association  
Massachusetts Bankers Association  
Michigan Bankers Association  
Minnesota Bankers Association  
Mississippi Bankers Association  
Missouri Bankers Association  
Montana Bankers Association  
Nebraska Bankers Association  
Nevada Bankers Association  
New Hampshire Bankers Association  
New Jersey Bankers Association  
New Mexico Bankers Association  
New York Bankers Association

North Carolina Bankers Association  
North Dakota Bankers Association  
Ohio Bankers League  
Oklahoma Bankers Association  
Oregon Bankers Association  
Pennsylvania Bankers Association  
Puerto Rico Bankers Association  
Rhode Island Bankers Association  
South Carolina Bankers Association  
South Dakota Bankers Association

Tennessee Bankers Association  
Texas Bankers Association  
Utah Bankers Association  
Vermont Bankers Association  
Virginia Bankers Association  
Washington Bankers Association  
West Virginia Bankers Association  
Wisconsin Bankers Association  
Wyoming Bankers Association

Cc: Chairman Mike Crapo, Ranking Member Ron Wyden, Chairman Jason Smith, Ranking Member Richie Neal