

May 31, 2012

The Honorable John Boehner
Speaker of the House of Representatives
The U.S. Capitol
Washington, D.C. 20515

The Honorable Harry Reid
Senate Majority Leader
The U.S. Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
House Minority Leader
The U.S. Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Senate Minority Leader
The U.S. Capitol
Washington, D.C. 20510

Dear Congressional Leaders:

The undersigned companies and associations strongly support and ask for immediate action on two bipartisan companion bills: H.R. 4196, a bill introduced by Congressmen Tiberi, Larson, Paulsen, Neal, Marchant, and Pascrell and S. 2240, introduced by Senators Stabenow, Blunt, Brown (OH), and Roberts.

These bills will provide an immediate and temporary incentive for businesses to make new capital investments in the United States by extending 100 percent expensing (bonus depreciation), the Alternative Minimum Tax (AMT) Credit in lieu of bonus depreciation provisions and including companies using PCM (percentage of completion method of accounting) through 2012. Enacting this legislation will enable businesses to access capital for immediate investment and create jobs in the United States now.

From September 2010 through the end of 2011, businesses could elect to immediately deduct the cost of qualifying purchased property. Currently, however, businesses can only elect to deduct 50 percent of the cost of these investments. As our economy continues to struggle, this much-needed legislation restores the 100 percent bonus depreciation through 2012 and provides a real incentive for businesses to make significant investments here at home.

Additionally, the AMT in lieu of bonus provision would allow companies that do not benefit from the extension of full bonus depreciation - to utilize their existing AMT credits (pre-paid taxes) if they make the same types of capital investments that are required under bonus depreciation.

Companies that enter into certain long-term contracts requiring PCM are currently precluded from taking advantage of bonus depreciation since income is perversely accelerated into the current year. The bills would provide companies utilizing this accounting method with parity and allow them to elect bonus depreciation.

Because of the importance of this legislation to U.S. economic growth and competitiveness, we strongly urge you to support immediate action on this pro-growth, pro-jobs legislation. Thank you in advance for your support of this bipartisan, bicameral legislation.

Sincerely,