



May 17, 2025

The Honorable Mike Johnson  
US House of Representatives  
Washington, DC 20515

The Honorable Hakeem Jeffries  
US House of Representatives  
Washington, DC 20515

Dear Speaker Johnson and Leader Jeffries:

On behalf of the more than 140,000 members of the National Association of Home Builders (NAHB), I am writing in strong support of the budget reconciliation package, also known as the One Big Beautiful Bill Act.

This legislation provides small businesses with certainty by making the tax code permanent and builds on the success of the Tax Cuts and Jobs Act (TCJA) by expanding provisions like the 199A deduction, increasing the estate tax exemption, and restoring full expensing. The package provides more confidence for the housing market by preserving and making permanent many of the pro-housing provisions included in TCJA, including the marginal tax rates, the rules for the mortgage interest deduction, and the increased exemption and phase-out for the Alternative Minimum Tax.

We are confident that leadership will reach an agreement to address limitations placed on the state and local tax deduction (SALT) in TCJA. These SALT limitations unduly burden homeowners in high-cost states and addressing the cap will help reduce the ongoing cost of owning a home. We also appreciate the bill's efforts to protect pass-through entities utilized by many NAHB members from being harmed by these SALT limitations.

By passing this bill, our members will be able to invest more resources in multifamily rental construction, land development to build more single-family homes, and new equipment to expand their businesses.

NAHB strongly supports the inclusion of additional resources for the Low-Income Housing Tax Credit (LIHTC). LIHTC is the most successful affordable rental housing production program in U.S. history, but the demand for affordable housing is acute and exceeds the availability of financing through the LIHTC program. Without a program like LIHTC, there's no financially feasible way to build additional affordable rental housing for lower-income households, which is why these additional resources are urgently needed.

Workforce shortages remain a persistent challenge for the industry, and NAHB supports the goals of the new Workforce Pell grant program which will lower the barrier to access for a range of short-term skills training opportunities otherwise ineligible under traditional Pell grants. These grants will prepare students for high-paying, sustainable jobs in the country's most in-demand industries. New and innovative solutions like Workforce Pell are welcomed to help bolster a lagging American workforce.

NAHB supports many of the strong regulatory reform provisions included in the bill, particularly the requirement for federal agencies to consider both direct and indirect costs associated with any new regulation as well as requiring congressional approval for major rules. Regulations imposed by all levels of government account for \$93,870, or 23.8% of the current average

sales price of a new single-family home, and 40.6% of multifamily development costs. Our regulatory rulemaking apparatus is broken and is contributing meaningfully to the nation's growing housing affordability crisis.

Lumber and wood products are a major cost driver in housing affordability, accounting for approximately 15% of the cost of construction for a single-family house. The United States does not produce sufficient lumber to meet the housing industry's demand, requiring costly imports. Additional domestic supply can help stabilize what is otherwise a volatile market for wood products, giving builders greater price stability. NAHB supports provisions in the bill to boost domestic production of timber from both United States Forest Service (USFS) and Bureau of Land Management (BLM) lands. NAHB believes increasing domestic lumber production from federal lands represents a win-win for housing affordability and the resilience of our national forests.

There are areas where the bill can be improved. We urge the House to reconsider the sudden termination of two energy tax credits: the Section 45L New Energy Efficient Home tax credit and the Section 25D Residential Clean Energy Credit. Many of our members made significant business investments to comply with the Section 45L tax credit on the expectation that this credit would remain available through the end of 2032. Small businesses deserve more consideration than for these energy tax incentives to suddenly expire.

The Section 45L tax credit is claimed by single-family builders serving every price point. 45L can also be claimed for rental housing, including affordable rental housing financed with the Low-Income Housing Tax Credit. NAHB believes the most effective way to promote energy efficiency is through voluntary tax incentives, and at a minimum, urges the House to provide sufficient transition time for home builders, home owners, and remodelers who use these tax credits.

The One Big Beautiful Bill Act will help improve workforce shortages, reign in government regulations, and provide much-needed additional resources to increase the supply of affordable housing and encourage small businesses to invest in their future. NAHB strongly urges the House to pass this bill.

Thank you for considering our views.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lake Coulson", with a stylized, flowing script.

Lake Coulson