



Chairman Orrin Hatch  
Ranking Member Ron Wyden  
U.S. Senate Committee on Finance  
United States Senate  
Washington, DC 20510

November 13, 2017

Dear Chairman Hatch and Ranking Member Wyden,

As presently drafted, the Tax Cuts and Jobs Act will have adverse impacts on many American communities, the architectural profession, and the 90,000 members of the American Institute of Architects. We urge you to make several improvements during the Senate Finance Committee's Markup.

Sharp reductions to the Historic Tax Credit (HTC) will harm economic revitalization projects in the historic sections of many cities and small towns. The Chairman's Mark of the Act would eliminate the 10% credit for the rehabilitation of pre-1936 structures, and halve the current 20% credit for rehabilitation of properties on the National Register of Historic Places. At these levels, private investment in rehabilitation projects will cease. We urge you to restore—and even enhance—this highly effective program.

We are also deeply concerned that the legislation eliminates the Energy Efficient Commercial Building Tax Deduction (Section 179D). This section provides deductions that help to offset a portion of the initial costs for energy efficient components and systems in commercial and multifamily buildings.

These efficiency improvements reduce demands on the power grid, move our country closer to energy independence, and reduce building operating costs – all while mitigating environmental impacts. Reforms to the tax code must include incentives for cleaner and more efficient energy. AIA urges you to amend the Tax Cuts and Jobs Act to retain these important provisions or otherwise address expiration of 179D through another vehicle by year's end.

Finally, the new 17.4% tax relief deduction for small businesses organized as pass-through entities would *exclude* architects and other service-oriented industries. This will stunt the growth of the design and construction industry,

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just as it is getting back on its feet after the Great Recession. The loss of credits and deductions important to our industry, and the exclusion of architects from relief aimed at similar businesses, does not level the playing field for all.

The design and construction industry will watch closely as tax reforms move through the legislative process. Incentives for historic preservation and energy efficiency, along with fairness for pass-through businesses, are vital for the architecture profession. Please work to improve the legislation in these areas.

Sincerely,

A handwritten signature in black ink, appearing to read 'THOMAS VONIER', with a long horizontal flourish extending to the right.

Thomas Vonier, FAIA  
2017 AIA President

cc: Senate Finance Committee Members