

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