

# Residential Energy Efficient Tax Credit Industry Coalition

December 8, 2011

The Honorable John Boehner  
Speaker of the House  
H-232, United States Capitol  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
House Minority Leader  
H-204, United States Capitol  
Washington, D.C. 20515

The Honorable Dave Camp  
Chairman, Committee on Ways & Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Sander Levin  
Ranking Member, Committee on Ways & Means  
1139E Longworth House Office Building  
Washington, D.C. 20515

Dear Speaker Boehner, Leader Pelosi, Chairman Camp and Ranking Member Levin:

As companies and associations representing manufacturers, retailers, builders and contractors in the housing and residential energy retrofit industry, we are writing to urge your support for an extension at the \$1,000 level for the residential energy efficiency (25C) tax credit set to expire at the end of the year. The 25C tax credit creates and preserves American jobs and promotes energy efficiency by helping owners of existing homes afford higher efficiency windows, doors, HVAC systems, hot water heaters, roofing and insulation. We are deeply concerned that the loss of this incentive before the housing market recovers would lead to substantial job losses.

Residential remodeling activity spurred by the 25C tax credit in 2009 and 2010 was critical to maintaining our economic vitality. In 2009, Internal Revenue Service data indicates American taxpayers reported spending \$25.1 billion on remodeling costs associated with the tax credit. Moreover, the program supported 278,610 jobs (135,540 of which were in the construction and remodeling sectors), approximately \$13.2 billion in wages and \$7.5 billion in net business income according to analysis by the National Association of Home Builders. In addition, 25C is truly a middle-class tax credit. In 2009, over two-thirds of the households claiming the credit had adjusted gross income of \$100,000 or less.

Further, private residential investment as a percent of gross domestic product set another record low of 2.4 percent in the third quarter of 2011—in comparison to its historic average of approximately 5 percent. The 25C tax credit has provided a needed floor on remodeling activity, declining 32% since its peak compared to 76% for new home sales. It creates jobs and benefits homeowners by reducing their energy use, lowering their energy bills and improving their homes.

Again, we urge your support for a robust extension of the 25C tax credit, knowing the \$1,000 level would effectively leverage consumer activity and job preservation. We believe that the program has had a powerful and positive impact on employment and extending the incentives until the housing market further stabilizes will protect American jobs.

Thank you for your consideration. We look forward to working with you to include an extension of the residential energy efficiency credit in tax legislation before the end of the year.

Sincerely,

Air Conditioning Contractors of America  
Air-Conditioning, Heating and Refrigeration Institute  
Andersen Corporation  
A.O. Smith  
Asphalt Roofing Manufacturers Association  
Champion Window Manufacturing Company  
Council of North American Insulation Manufacturers Association  
Fortune Home and Security  
Guardian Industries  
Heating, Air Conditioning & Refrigeration Distributors International  
The Home Depot, Inc.  
Ingersoll Rand  
Insulation Contractors Association of America  
JELD-WEN, inc.  
Lennox International, Inc.  
Lowe's Companies, Inc.  
National Association of Home Builders  
National Association of Manufacturers  
National Association of the Remodeling Industry  
National Electrical Manufacturers Association  
National Lumber and Building Material Dealers Association  
National Roofing Contractors Association  
New England Fuel Institute  
Pella Corporation  
Petroleum Marketers Association of America  
Plumbing-Heating-Cooling Contractors—National Association  
Regal Beloit  
Retail Industry Leaders Association  
Rheem Manufacturing Company  
Roof Coatings Manufacturers Association  
Spray Polyurethane Foam Alliance  
Tile Roofing Institute  
United Technologies Corporation  
Window and Door Manufacturers Association

cc: House Committee on Ways and Means members

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December 8, 2011

The Honorable Harry Reid  
Senate Majority Leader  
S-221, United States Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Senate Minority Leader  
S-230, United States Capitol  
Washington, D.C. 20510

The Honorable Max Baucus  
Chairman, Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Orrin Hatch  
Ranking Member, Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Baucus and Ranking Member Hatch:

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cc: Senate Committee on Finance members