

January 12, 2022

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-232 U.S. Capitol  
Washington, DC 20515

The Honorable Charles Schumer  
Senate Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
House Minority Leader  
U.S. House of Representatives  
H-204 U.S. Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Senate Minority Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader Schumer, and Leader McConnell:

The undersigned business trade groups call on Congress and the Administration to end efforts to pass the multi-trillion-dollar tax increase included in the Build Back Better (BBB) bill and focus instead on the challenges confronting American families and businesses today – rising prices, labor shortages, and ongoing supply chain constraints.

Today's Consumer Price Index report showing inflation rising at the fastest rate in forty years has our members understandably alarmed. Rapidly rising prices are a serious challenge to businesses of all sizes as they make purchasing inventory, supplies, and inputs such as heat and electricity more expensive. In many cases, our members are unable to pass these higher costs on to their customers. Some customers are unable to pay higher prices, while others are locked into long-term contracts that preclude price changes.

These challenges are amplified by today's constrained labor markets. NFIB's member surveys rank the ongoing worker shortage as the number one challenge employers face. When businesses do find suitable workers, they often need to offer them higher wages to entice them to come to work. In ordinary times, this would be good for the workers, but as we have seen in recent months, inflation eats away at these nominal pay increases and real wages are actually down this year.

The Administration argues that the Build Back Better bill will help to reduce prices, but those arguments are simply not credible. Our members believe the primary causes of the reemergence of inflation are the Federal Reserve's continued easy money policies, massive amounts of deficit

spending by Congress, and continued supply constraints, some tied to the Administration's economic and Covid policies.

Raising taxes on America's family businesses in this environment moves us in the wrong direction. Recent estimates show that more than \$500 billion of the Build Back Better's cost will be shouldered by family businesses and the bill would impose top rates on these businesses exceeding 50 percent. As with increased spending, voters believe these tax increases will be inflationary.

The Federal Reserve has recognized the challenge inflation poses to families and businesses and announced it will begin tapering its quantitative easing purchases in the coming months. Congress needs to make a similar adjustment, beginning by ending efforts to sharply increase federal spending while raising taxes on America's employers.

Sincerely,

Air Conditioning Contractors of America  
American Building Materials Alliance  
American Farm Bureau Federation  
American Lighting Association  
American Mold Builders Association  
American Rental Association  
American Supply Association  
American Trucking Associations  
Asian American Hotel Owners Association (AAHOA)  
Associated Builders and Contractors  
Associated Equipment Distributors  
Auto Care Association  
Ceramic Tile Distributors Association  
Coalition of Franchisee Associations  
Construction Industry Round Table  
Convenience Distribution Association  
Customized Logistics and Delivery Association (CLDA)  
Education Market Association  
Energy Marketers of America  
Family Business Coalition  
Financial Executives International  
Foodservice Equipment Distributors Association  
Franchise Business Services  
GAWDA

Hardwood Federation  
Heating, Air-conditioning, & Refrigeration Distributors International  
Independent Bakers Association  
Independent Lubricant Manufacturers Association  
Industrial Fasteners Institute  
Institute of Scrap Recycling Industries, Inc  
International Association of Plastics Distribution  
International Fresh Produce Association  
International Sign Association  
Main Street Employers Coalition  
Manufactured Housing Institute  
National Association of Electrical Distributors  
National Association of Home Builders  
National Association of Wholesaler-Distributors  
National Community Pharmacists Association  
National Fastener Distributors Association  
National Federation of Independent Business (NFIB)  
National Franchisee Association  
National Grocers Association  
National Lumber & Building Material Dealers Association  
National Onion Association  
National Ready Mixed Concrete Association  
National Roofing Contractors Association  
National Small Business Association  
National Stone, Sand and Gravel Association  
National Tooling and Machining Association  
National Waste & Recycling Association  
North American Association of Food Equipment Manufacturers (NAFEM)  
North American Die Casting Association  
Pacific West Fastener Association  
Petroleum Equipment Institute  
Plastics Industry Association  
Plumbing-Heating-Cooling Contractors--National Association  
Policy and Taxation Group  
Precision Machined Products Association  
Precision Metal forming Association  
PRINTING United Alliance  
Retail Bakers of America (RBA)  
S Corporation Association  
Service Station Dealers of America and Allied Trades

Small Business & Entrepreneurship Council  
Society of Collision Repair Specialists (SCRS)  
Southeastern Lumber Manufacturers Association  
Southwest Cable Communications Association  
Spray Polyurethane Foam Alliance  
Subchapter S Bank Association  
Textile Care Allied Trades Association  
Tile Roofing Industry Alliance  
Tire Industry Association  
Western Equipment Dealers Association  
Wine & Spirits Wholesalers of America