



June 23, 2025

The Honorable Mike Johnson  
521 Cannon House Office Building  
Washington, DC, 20515-1804

The Honorable John Thune  
United States Senate SD-511  
Washington, DC 20510

Dear Speaker Johnson and Majority Leader Thune,

On behalf of the International Association of Sheet Metal, Air, Rail, and Transportation Workers (SMART), representing over 203,000 union members employed in the sheet metal and related construction trades, and the Sheet Metal and Air Conditioning Contractors' National Association (SMACNA), which includes 3,500 signatory contractors across more than 100 chapters nationwide, we write to urge your support for tax policy that protects and promotes job growth in our industry.

As Congress advances its reconciliation package, we respectfully request that you prioritize the following three policy areas that are critical to maintaining a robust construction industry and supporting American workers and businesses:

**1. Preserve Section 179D: The Energy Efficient Commercial Building Deduction**

We are deeply concerned by the proposed phase-out of Section 179D in the Senate reconciliation bill, which would eliminate the deduction just 12 months after enactment. This proposal is a sharp departure from the House-passed bill, which made no changes to the deduction. At a time when inflation, material tariffs, and policy uncertainty are slowing project announcements and disrupting the construction economy, eliminating or curtailing energy efficiency incentives like 179D would be both untimely and damaging.

Since its enactment under the Energy Policy Act of 2005, Section 179D has enjoyed strong bipartisan support. It was made permanent in 2020 through legislation led by President Trump and Chairman Crapo. This critical deduction encourages private investment in energy-efficient building upgrades—such as lighting, HVAC systems, and building envelopes—and supports job creation in the trades, engineering, and manufacturing.

Section 179D is also aligned with national energy goals. It helps reduce energy demand on urban power grids, lowers long-term building operating costs, and promotes infrastructure resiliency. Weakening this provision would deliver only minor budget savings while severely disrupting private-sector projects that drive significant economic and energy efficiency benefits.

**Our request is straightforward:** We urge the Senate to adopt the House position and **maintain Section 179D without changes**. Specifically, we recommend striking the proposed phase-out from the Senate bill to preserve the deduction's long-standing, bipartisan-supported role in the tax code.

## **2. Preserve Residential Energy Efficiency Incentives: Sections 25C, 25D, and 45L**

We also urge the preservation of Sections 25C, 25D, and 45L—key incentives that support residential and multifamily energy efficiency improvements. These tax credits are critical to sustaining contractor-led consumer markets and boosting HVAC equipment retrofits.

We are disappointed that both the House and Senate versions of the bill propose the termination of these credits at the end of this year. Cutting them would undercut market momentum and delay consumer adoption of energy-saving technologies in the residential sector and reduce job opportunities for our members.

## **3. Reauthorize and Extend Key Business Tax Provisions Vital to Our Industry**

To support long-term investment and innovation across our sector, we urge Congress to prioritize the reauthorization and extension of the following provisions:

- **Section 45Q:** Carbon Oxide Sequestration Credit
- **Section 45V:** Clean Hydrogen Production Credit
- **Section 45U:** Nuclear Power Production Credit & Civil Nuclear Credit Program
- **Section 48A:** Geothermal Heat Pump Credit
- **Section 48E:** Technology-Neutral Investment Tax Credit
- **Section 45X:** Advanced Manufacturing Investment Credit (from the CHIPS Act)
- **Production and Investment Tax Credits** that promote energy generation and infrastructure growth

These provisions are crucial to maintaining America's leadership in clean energy, driving domestic manufacturing, and ensuring a highly skilled workforce remains central to our energy future.

In conclusion, we urge you to safeguard these essential tax policies that directly impact the livelihoods of thousands of skilled workers, support energy innovation, and bolster the construction and manufacturing sectors. Your leadership on these issues will help ensure that America's infrastructure remains strong, sustainable, and competitive.

Thank you for your attention and continued commitment to America's workforce and energy future. We are available to discuss any of these matters further and look forward to working with you to achieve our shared goals.

Sincerely,

Stephen J. Dodd  
Director Of Governmental Affairs  
SMART  
Office: 202-662-0868 | [sdodd@smart-union.org](mailto:sdodd@smart-union.org)

Stanley E. Kolbe, Jr.  
Executive Director, Government and Political Affairs  
SMACNA  
Office: 202-547-8202 | [skolbe@smacna.org](mailto:skolbe@smacna.org)