August 11, 2022

United States House of Representatives
Washington, DC 20515

Dear Representative:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction throughout the United States. On behalf of SMACNA’s membership, I express our strongest support for passage of the energy efficiency tax incentives included in the Senate-passed H.R. 5376, The Inflation Reduction Act budget reconciliation package. The innovative and transformational energy efficiency tax incentives featured in H.R. 5376 will slash levels of commercial and industrial energy waste, accelerate high efficiency commercial, industrial, residential retrofits. In addition, H.R. 5376 provides tax credits and other incentives to make major reductions to building carbon emissions, while upgrading indoor air system quality. Upgrading building ventilation and filtration systems is especially important at a time where pandemics resulting from airborne pathogens transmitted in outdated buildings with nonexistent or improperly installed and maintained HVAC systems.

Based on a limited analysis of only the efficiency tax provisions, the Inflation Reduction Act would achieve significant energy and economic benefits, including avoiding 341 MMT of carbon emissions, securing $53.3 billion in energy cost savings, and creating 520,128 new jobs. These massive energy savings will also shrink tax deductions at the state, local and national levels. With international conflict making energy supplies uncertain, now is the time to pass the targeted efficiency tax incentives designed to reduce energy and water waste, wasteful expenses that are deducted from federal income and business taxes.

SMACNA has long advocated for inclusion and passage of many of the business energy efficiency tax credits and incentives, now part of H.R. 5376, the Manchin/Schumer Inflation Reduction Act reconciliation package. SMACNA’s stated priorities largely track the energy efficiency provisions found in H.R. 5376 including reforms to 179d and greater flexibility and expansion of the highly effective 25C tax credit for homeowners. Further, our decades of experience on the frontlines of energy efficient retrofits of public and private buildings reinforces our enthusiasm for these highly targeted efficiency programs and incentives. This point can’t be overstated—energy efficiency is the most cost-effective energy saving and carbon abatement solution. Based upon our extensive experience in this area we strongly endorse the business and individual efficiency tax incentives featuring prevailing wage and apprenticeship standards in The Inflation Reduction Act of 2022.

We urge the House to support expedited passage of the pro-business energy efficiency tax credits and deduction incentive provisions featured in H.R. 5376, The Inflation Reduction Act of 2022.

Sincerely,

Stanley E. Kolbe, Jr.
Executive Director, Government and Political Affairs
SMACNA