



**May 10, 2022**

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
322 Hart Senate Office Building  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
2468 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
317 Russell Senate Office Building  
Washington, DC 20515

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

The National Lumber and Building Material Dealers Association (NLBMDA) with its state and regional association partners represent over 6,000 building material retail locations nationwide who operate single and multiple lumber yards and component plants serving homebuilders, subcontractors, general contractors, and consumers in the new construction, repair and remodeling of residential and light commercial structures. The majority of NLBMDA members are small, family-owned lumber and building material (LBM) operations, in many instances providing lumber products and building material in the same communities for generations.

As Congress seeks to restart negotiations on a fiscal year (FY) 2022 budget reconciliation bill, NLBMDA would like to reiterate the LBM industry's priorities on key provisions under consideration. NLBMDA had several concerns regarding provisions in the Build Back Better (BBB) Act introduced last year and urges Congress to improve upon that language in any future budget reconciliation proposal.

In this time of economic uncertainty, NLBMDA calls on lawmakers to reject policies that impose burdensome costs on small businesses and hinder job creation. Congress should instead prioritize legislation that promotes workforce development, reduces burdensome red tape on small businesses, and tackles supply chain challenges in the economy. Below you will find several recommendations from NLBMDA to improve upon the Build Back Better Act and support America's LBM dealers.

### **Oppose Tax Increases on LBM Dealers**

NLBMDA opposes all tax increases on LBM dealers and urges Congress to reject any changes to the tax code that would have a negative impact on the LBM industry. Small businesses are the backbone of the economy as they employ nearly half of all American workers and account for two-thirds of the net job creation over the past decade. NLBMDA believes any changes to our tax code should sustain the competitiveness of America's small businesses and ensure they can remain viable in the long-term.

NLBMDA also opposes limits to the state and local tax (SALT) deduction that increases taxes for individuals in high cost areas and makes it more difficult for dealers to retain quality employees. NLBMDA supports a simplified tax code that does not place an unnecessary burden on job-creating LBM dealers. As the economy continues to grapple with challenges stemming from the COVID-19 pandemic, now would be the wrong time to raise taxes on America's small businesses.

## **Oppose Provisions from the Protecting the Right to Organize (PRO) Act**

NLBMDA opposes the inclusion of all provisions from the Protecting the Right to Organize (PRO) Act in any budget reconciliation proposal. The PRO Act would drastically restructure America's labor laws resulting in economic upheaval that would cost millions of American jobs, threaten vital supply chains, and greatly diminish opportunities for entrepreneurs and small businesses. NLBMDA believes the budget reconciliation process is the wrong avenue to implement drastic new labor policies and urges Congress to reject all PRO Act provisions in future legislation.

## **Oppose Unreasonable Increases to OSHA Fines**

The Build Back Better Act contained ten-fold increases to civil penalties levied by the Occupational Safety and Health Administration (OSHA) on the employer community. While workplace safety continues to be a top priority for NLBMDA, these proposed increases are unreasonable and could cripple small businesses and lead to job losses across the country. NLBMDA urges Congress to remove these increases in future proposals.

## **Oppose Expansion of the Family Medical Leave Act (FMLA)**

NLBMDA opposes the House proposal to expand the Family Medical Leave Act (FMLA) as it would create considerable burdens on small businesses in the lumber and building material industry. Government mandates take away employers' and employees' ability to negotiate flexible benefits packages and increase the time, paperwork and cost of complying with labor laws. Congress should oppose the expansion of FMLA.

## **Prioritize Workforce Development Initiatives**

NLBMDA remains concerned about the growing "skills gap" in the nation's workforce and the negative effects it is having on residential construction. NLBMDA supports the Perkins Act that provides federal support to state and local career technical education (CTE) programs and proposals to expand vocational training, apprenticeships and work-based learning. Congress prioritize programs that will help alleviate workforce shortages in the economy.

## **Prioritize the Low-Income Housing Tax Credit and Affordable Housing**

NLBMDA supports the Affordable Housing Credit Improvement Act (H.R. 2573), which would address the nation's shortage of affordable housing by protecting, expanding and strengthening the Low-Income Housing Tax Credit (LIHTC). Congress should prioritize policies that will expand access to affordable housing across the country.

Thank you for the opportunity to provide comment and we look forward to working with Congress in the coming weeks on NLBMDA's FY 2022 budget reconciliation priorities. Please contact Alex McIntyre at [alex@dealer.org](mailto:alex@dealer.org) with any further questions.

Sincerely,



Jonathan M. Paine, CAE  
President & CEO

cc: Senator Joe Manchin  
Senator Kyrsten Sinema