June 19, 2019

Dear Chairman Neal and Ranking Member Brady:

On behalf of the over 400-members of the National Stone, Sand & Gravel Association (NSSGA), I am writing express our opposition to proposed changes to the estate tax exemption included in H.R. 3301, the Taxpayer Certainty and Disaster Tax Relief Act of 2019.

NSSGA is the leading voice and advocate for the aggregates industry, with member companies representing more than 90 percent of the crushed stone and 70 percent of the sand and gravel consumed annually in the United States. Our members are responsible for the essential raw materials found in every home, building, road, bridge and public works project, employing over 100,000 working men and women. Aggregate businesses can be found in every Congressional district and are a trusted resource for all issues related to the aggregate industry including the need to pass significant infrastructure legislation.

Due to the capital-intensive nature of the industry, family owned aggregate businesses across the nation are disproportionately affected by federal estate and gift taxes. The machinery, equipment and trucks which are needed to properly maintain and operate a quarry are expensive. Holding these assets on a balance sheet forces the families of many small business owners, who are grieving the loss of their loved one, to sell a portion or liquidated their business to cover taxes owed to the Internal Revenue Service (IRS) at the time of death.

That is why NSSGA members are concerned with Section 201 of H.R. 3301 which sunsets the current estate tax exemption at the end of 2022 as a pay-for renewing and extending several individual and business tax provisions. As the committee considers this legislation, we would strongly support removal of Sec. 201.

Aggregate producers spend their entire lives paying taxes, making payroll, growing their business and improving their communities. It is unfair to require them to pay an additional 40% tax on property that has already been taxed by the IRS over the course of their lives.

Thank you for your consideration of our views on this important topic. Should you have any questions, please do not hesitate to reach out to Michele Stanley, NSSGA Vice President of Government and Regulatory affairs at mstanley@nssga.org.

Sincerely,

Michael W. Johnson
President and CEO
National Stone, Sand & Gravel Association