NECA Government Affairs

Federal Tax Reform

High tax rates and a complex tax code hamper our NECA contractors' competitive standing and hinder their economic growth. The time and money NECA contractors spend to comply with the Federal Government's complex tax code should be spent on growing their businesses and creating jobs.

The enactment of the One Big Beautiful Bill Act (OBBBA) in 2025 successfully made permanent the most critical provisions of the 2017 Tax Cuts and Jobs Act. This has provided NECA contractors with the long-term certainty needed for capital investment and workforce expansion.

KEY POINTS

Make the Tax Cuts and Jobs Act permanent. NECA supported passage of the 2017 Tax Cuts and Jobs Act, the first comprehensive tax code overhaul in 31 years. OBBBA successfully made permanent the individual tax rates, the 20 percent qualified business income deduction for pass-through entities, and other provisions that were set to expire at the end of 2025. This permanence provides NECA contractors with the stability to make long-term business decisions.

Repeal the Estate Tax. Beginning in 2026, the estate and gift tax exemption was raised to $15 million per individual (or $30 million per couple) under OBBBA. This presents a significant planning opportunity for owners of closely held construction businesses looking to transition ownership or preserve wealth across generations. The estate tax remains a burden on family-owned construction companies, and NECA continues to advocate for full repeal.

Repeal the Alternative Minimum Tax. This burdensome tax, which was created to ensure that the wealthiest taxpayers pay a minimum amount of taxes on their economic income, has expanded to include the unintended lower and middle-income taxpayers. While Congress provided permanent AMT relief when it passed the American Taxpayer Relief Act, the AMT remains one of the most complicated and onerous provisions in the tax code. Congress should fully repeal the individual and corporate AMT.

100 percent bonus depreciation reinstated. OBBBA permanently reinstated 100 percent bonus depreciation for qualified property (generally new and most used property with a tax recovery period of 20 years or less). This reverses the scheduled phase-down that began in 2023 and allows contractors to immediately expense equipment purchases, improving cash flow and encouraging capital investment.

NECA ASKS

Congress must fully repeal the Estate Tax and eliminate the Alternative Minimum Tax to remove remaining barriers to business growth and succession planning for electrical contractors.

Powering Solutions.

NECA

The **National Electrical Contractors Association (NECA)** is the voice of the $270 billion electrical construction industry that brings power, light, and communication technology to buildings and communities across North America. NECA's national office and 118 local chapters advance the industry through advocacy, education, research, and standards development.