

**Congress of the United States**  
**Washington, DC 20515**

November 16, 2018

The Honorable Paul Ryan  
Speaker  
U.S. House of Representatives  
H-232 U.S. Capitol Building  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Democratic Leader  
U.S. House of Representatives  
H-204 U.S. Capitol Building  
Washington, D.C. 20515

The Honorable Kevin Brady  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Richard Neal  
Ranking Member  
Committee on Ways and Means  
1139E Longworth House Office Building  
Washington, D.C. 20515

Dear Speaker Ryan, Leader Pelosi, Chairman Brady, and Ranking Member Neal:

On behalf of the Travel and Tourism Caucus and our constituents who support these vital industries, we write to raise concern regarding a technical error in the 2017 tax law related to the depreciation period for qualified improvement property (“QIP”). The error is disrupting a wide range of businesses that are critical to the hospitality and tourism industry. Collectively, these businesses drive crucial economic activity in our communities and support millions of jobs nationwide, and this technical error is having a significant economic impact on them.

We have heard from our constituents, including restaurant, hotel, and retail establishment owners, who are very concerned about the tax bill’s unintentional change of the depreciation schedule for QIP property to 39 years. A lengthened 39-year depreciation period does not reflect the reality that, to remain competitive and attract tourism commerce, these businesses must renovate and improve their structures far more frequently than every four decades. Such a long depreciation period makes renovations and rehabilitations significantly more costly and less likely to occur.

Furthermore, a 15-year recovery period, made permanent in the bipartisan 2015 PATH Act, was meant to be maintained for improvements to hotel, restaurant, and retail properties. The Conference Agreement that accompanied H.R. 1 stated that QIP has a 15-year recovery period, and the score from the Joint Committee on Taxation assumed this as well.

Given these facts and the potential for considerable harm to local tourism and related economies if the QIP mistake is not corrected, we strongly encourage you to address this drafting error before the end of the year.

Sincerely,

Handwritten signature of Dina Titus in blue ink.

Dina Titus

Co-Chair, Travel and Tourism Caucus

Handwritten signature of Gus M. Bilirakis in blue ink.

Gus M. Bilirakis

Co-Chair, Travel and Tourism Caucus