

December 10, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Democratic Leader Schumer, Speaker Ryan and Democratic Leader Pelosi:

The undersigned organizations urge you to support inclusion of technical corrections to the Tax Cuts and Jobs Act (TCJA) in end of the year legislation. Ways and Means Committee Chairman Brady introduced the Retirement Savings and Other Tax Relief Act, which included five technical corrections to TCJA. Of greatest concern to the undersigned organizations and companies is the provision dealing with qualified improvement property (“QIP”). The delay in correcting this provision has caused economic hardship for numerous businesses, including retailers, restaurants, real estate and construction industries, as well as the manufacturers that supply products to the building trade. The delay in investments has had ripple effects across the economy that impact the communities in which these companies are doing business.

The drafting error in the QIP provision causes building improvements to be written off over 39 years instead of one year as contemplated under the Act. As a result, a taxpayer gets to write off only 2.5% of their improvement costs in the year the expenditures are made, and 97.5% over the remaining 38 years, instead of writing off 100% of the cost in the year the expenditures are made.

This very large difference in the after-tax cost of making improvements is causing a delay in store, restaurant and leasehold remodeling projects, as well as causing retailers to decline opportunities to purchase or lease new store locations that would require substantial improvements. These decisions not only deny communities the jobs associated with substantial construction projects, but also deny our communities the opportunity to bring new, permanent jobs to an otherwise abandoned store or to revitalize a declining mall. The delayed investment in remodeling projects is also causing a decline in sales by manufacturers that supply products used in remodels, like energy-efficient lighting and plumbing supplies. Finally, the delay in remodeling projects creates safety concerns because, in some cases, it is causing a delay in installation of sprinkler systems creating a more perilous situation in the case of fire.

These investment delays were confirmed in a recent survey by the National Association for Business Economics, which found that two-thirds of companies in the services sector say their capital spending remains unchanged since enactment of the tax reform law, which is attributed to the error in the law causing retailers and restaurateurs to put off new investment until this provision is fixed.

We urge you to support correcting this error in the law as part of end of the year legislation, in order to increase investments in communities, grow jobs and sustain businesses that are suffering losses.

Sincerely,

Aaron's	Collins Family Markets Inc
Acuity Brands	Columbiana Foods Inc.
Advance Auto Parts, Inc.	Congressional Fire Services Institute
Ahold Delhaize USA	Connecticut Food Association
AIA - The American Institute of Architects	Cookies Food Products
Alabama Grocers Association	Corning Mini Mart
Algoma Piggly Wiggly	Cox's Foodarama Inc.
Alliance Data	Cranfords Fresh
American Eagle Outfitters, Inc.	Crate and Barrel Holdings Inc.
Arizona Food Marketing Alliance	CRE Finance Council
Arizona Retailers Association	CVS Health
Arkansas Grocers and Retail Association	Daniels Foods, Inc.
Arnav Enterprises, LLC	Dan's Food Center
Ascena Retail Group, Inc.	Darden Restaurants, Inc.
Associated General Contractors of America	Dave's Supermarket, Inc.
Association of Kentucky Fried Chicken Franchisees	Denny's
Auto Zone, Inc.	Dick's Sporting Goods
B & R Stores, Inc.	Dierbergs Markets, Inc.
B. Green & Co., Inc.	Dillard's, Inc.
Bailey's General Store	Doc's Foods Stores
Baker's Management, Inc.	Don's Food Center
Beall's, Inc.	Dorothy Lane Market, Inc.
Best Buy Co., Inc.	DSW, Inc.
Big Lots	Dunkin' Brands Inc.
Big Y Foods, Inc.	Eaton
BKT Enterprises Inc	Eickhoff's ShopRite Supermarkets
Blackford Foods	El Rio Grande Latin Market
Bloomin' Brands, Inc.	Express Inc.
Brinker International	Fareway Stores Inc.
Buehlers Fresh Foods	Fiesta Foods
Building Owners and Managers Association	Firehouse of America, LLC
Casler, Inc.	Fitzgerald's Foods
Church's Chicken	Food Giant
Coalition of Franchise Associations	Food Marketing Institute

Food Parade Inc.
Franchise Business Services
G.E. Foodland, Inc.
Garafalo Markets
Geissler's Super Market
Georgia Food Industry Association
GF Buche Co.
Glass Gardens
Godin's Piggly Wiggly
Gongco Foods
Gooseberries Fresh Food Market
Grolmus Enterprises
Gymboree Group
Hansen's IGA
Harps Food Stores, Inc.
Healthy's, Inc.
Henderson's IGA, Inc.
Hi Nabor Supermarket, LLC
Highland Park Market
Hobby Lobby Stores, Inc
Hoyt Lakes IGA
Hy-Vee
Idyllwild Village Market
IKEA North America Services, LLC
Illinois Food Retailers Association
Indiana Grocery Group, LLC
International Association of Fire Chiefs
International Council of Shopping Centers
International Franchise Association
Iowa Grocery Industry Association
Island Market, Inc.
J. C. Penney Company Inc.
Jack in the Box Inc.
Janssen's Market LLC
Jerry's Enterprises, Inc.
Jo-Ann Stores, LLC
John Brooks Supermarkets
JW's Foods, Inc
Kaune's Neighborhood Market
Keith's Foods Inc.
Kellogg Co.
Kentucky Grocers & Convenience Store Assc.
Kentucky Retail Federation
Knowlan's Super Markets, Inc.
Kocian's Family Market
Kramer Foods
L Brands, Inc.
LaBonne's Markets
Lamb's Fresh Market
Levi Strauss & Co.
Lisbon Foods, Inc.
Lomira Piggly Wiggly
Louisiana Retailers Association
Lowe's Market
Lund Food Holdings, Inc.
Mackenthun's Fine Foods
Macy's, Inc.
Maryland Retailers Association
Massachusetts Food Association
Maurer's Market
McDonald's Corporation
McKinnon's Supermarkets
Meijer, Inc.
MGM Resorts International
Michigan Retailers Association
Midwest Independent Retailers Association
Miner's Inc.
Minnesota Grocers Association
Minnesota Retail Association
Mississippi Retail & Grocers Association
Misslers IGA
Missouri Grocers Association
Missouri Retailers Association
Missouri Tire Industry Association
Monnats Country Store
Montana Restaurant Association
Montana Retail Association
Mt. Plymouth IGA Fresh Market
NACS (National Association of Convenience Stores)
NAIOP, the Commercial Real Estate Development Association
National Association of Theatre Owners

National Electrical Manufacturers Association
National Fire Sprinkler Association
National Franchisee Association
National Grocers Association
National Restaurant Association
National Retail Federation
Nebraska Grocery Industry Association, Inc.
Nebraska Retail Federation
Neiman Marcus Group, Inc.
Nemenz Food Stores
New Hampshire Grocers Association
New Jersey Food Council
NG Management Inc
Niemann Foods, Inc.
Nilssen's
Nordstrom, Inc.
North Carolina Retail Merchants Association
North Dakota Petroleum Marketers Association
North Dakota Propane Gas Association
North Dakota Retail Association
North Main IGA
North State Grocery, Inc.
Northwest Grocery Association
Nugget Market, LLC
Nutricion Fundametal, Inc.
Ochab Corporation
Ohio Council of Retail Merchants
Ohio Grocers Association
Oklahoma Grocers Association
Ozark Empire Grocers Association
Pennsylvania Food Merchants Association
PETCO Animal Supplies, Inc.
Petroleum Marketers Association of America
PetSmart, Inc.
Philbee Foods
Pruett's Food
Puckett's Food Stores, Inc.
Qurate Retail, Inc.
R & S Supermarket, LLC
Randys Neighborhood Markets
Red Lobster Hospitality LLC
Red Rock Resorts
Rehkopf Enterprises, Inc.
Reid Companies, Inc.
REM Markets
Retail Association of Maine
Retail Association of Massachusetts
Retail Association of Nevada
Retail Industry Leaders Association
RI Food Dealers Association
Ried's Markets, Inc.
Rite Aid
Rivers Marketplace, Inc.
Roselynn, Inc.
Ross Stores, Inc.
Roth's Fresh Markets
Roy's Hometown Grocery
Rush Foods, Inc.
S & R Quisberg Inc.
Sendik's Food Markets
Shoppers Value Foods
ShopRite of Hunterdon County
ShopRite of New London
Shugar's
Signify
Snyder Foods, LLC
South Dakota Retailers Association
Stage Stores, Inc.
Stepherson, Inc.
Steve DeYoung's Big Top Market
Stormans, Inc.
Super One Foods
Superb Super Markets, Inc
Supermarket Operations, Inc.
Tarbell & Company
Target Corporation
Teal's Market
Texas Retailers Association
Texas Roadhouse
The Fresh Grocer
The Home Depot
The Kroger Co.

The Market of Madrid
The Michaels Companies
The Real Estate Roundtable
The Roberts Co., Inc.
The Save Mart Companies
The TJX Companies, Inc.
The Wendy's Company
Thoman Brothers Super Market, Inc.
Thompson's IGA Foods
Tractor Supply Company
Treppendahl's Super Foods
Trig's
URM Stores, Inc.
Utah Food Industry Association
Utah Retail Merchants Association
Vallarta Supermarkets
Vermont Retail & Grocers Association

Viking Village Foods, Inc.
Virginia Retail Merchants Association
Wakefern Food Corp
Walla Walla Harvest Foods
Washington Food Industry Association
Washington Retail Association
Wayne's Piggly Wiggly
Western Supermarkets
Whataburger
White Castle
Windham IGA
Wisconsin Grocers Association
Witt's Piggly Wiggly
Wray's Incorporated
Yum Brands, Inc.