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**AGC of America**  
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA  
**Quality People. Quality Projects.**



October 22, 2009

The Honorable Harry Reid  
Senate Majority Leader  
United States Senate  
Washington, D.C. 20510

**Re: Support expansion of the first-time home buyer tax credit and five-year carryback of net operating losses**

Dear Majority Leader Reid:

On behalf of the Associated General Contractors of America (AGC), I am writing to urge you to support an expansion of the first-time home buyer tax credit and five-year carryback of net operating losses (NOL). AGC is the largest of the nationwide trade associations of building, highway, heavy industrial, and utility construction contractors. AGC's more than 32,000 members are deeply concerned about the continuing increase in construction unemployment, which now exceeds 17 percent, and are urging Congress to stimulate private sector construction activity. Expansion of the first-time homebuyer tax credit and NOL relief will help preserve and create jobs in the construction industry.

AGC urges you to support proposals to expand the two tax provisions in legislation extending unemployment benefits (H.R. 3548). The current \$8,000 first-time-home-buyer credit, which is set to expire on November 30, 2009, is helping to encourage new housing construction, including multi-family housing units, while boosting home sales that provided needed state and local tax revenue. Extending the credit for an additional 13 months will encourage additional residential construction that also would stimulate nearby retail development and boost tax revenue. New home construction boosts demand for public infrastructure and private-construction projects such as shops, restaurants and places of worship.

The Recovery Act allowed businesses with gross receipts of \$15 million or less that experienced net operating losses in 2008 to carry those losses back over the preceding five years. The provision allows small businesses with deductions exceeding their income to get a refund for taxes paid in previous years. This provision had little impact on construction companies, few of whom experienced losses in 2008. Expanding the provision to cover net operating losses incurred in 2008 through 2010 for all businesses regardless of size will allow cash-strapped construction firms to convert future tax benefits into cash today that can be used to expand payrolls, retain workers and invest in equipment.

AGC members support these two provisions as a way to give the nation's 1.6 million unemployed construction workers a better chance to find work.

Sincerely,

Jeffrey D. Shoaf  
Senior Executive Director  
Government and Public Affairs