

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.