

U.S. Chamber of Commerce

1615 H Street, NW Washington, DC 20062-2000 uschamber.com

The Honorable John Thune 511 Dirksen Senate Office Building Washington, DC 20510

The Honorable John Barrasso 307 Dirksen Senate Office Building Washington, DC 20510

The Honorable Mike Crapo 239 Dirksen Senate Office Building Washington, DC 20510 The Honorable Mike Johnson 568 Cannon House Office Building Washington, DC 20515

The Honorable Steve Scalise 266 Cannon House Office Building Washington, DC 20515

The Honorable Jason Smith 1011 Longworth House Office Building Washington, DC 20515

Dear Leader Thune, Speaker Johnson, Majority Whip Barrasso, Majority Leader Scalise, Chairman Crapo and Chairman Smith:

The U.S. Chamber of Commerce supports the Chemical Tax Repeal Act, which would repeal the Superfund excise tax imposed on 42 critical chemicals, minerals, and metallic elements as part of the Infrastructure Investment and Jobs Act of 2021.

The reinstatement of this tax created unnecessary financial and regulatory burdens on the U.S. petrochemical manufacturing sector, an industry vital to our nation's economy. By levying \$15 billion in new taxes, the Superfund tax increases production costs, disrupts supply chains, and places American businesses at a competitive disadvantage compared to foreign competitors, including China. The increased costs stemming from this tax are ultimately passed down to consumers, impacting the affordability of everyday household goods such as medical supplies, building materials, electronics, and personal care products.

A strong and resilient manufacturing sector is essential for maintaining economic growth, national security, and energy security. The petrochemical industry supports critical industries, including automotive, aviation, construction, technology, and renewable energy. Tax policies that inhibit domestic production will drive investment overseas and weaken America's industrial base, ultimately hindering our long-term global economic competitiveness.

The repeal of this tax would help restore fairness in the marketplace, encourage domestic investment, and alleviate undue financial burdens on American manufacturers. Estimates suggest that eliminating this tax could increase chemical industry output by more than \$300 million annually, benefiting downstream industries and strengthening supply chain resilience. Congress has an opportunity to take decisive action to reduce costs for businesses and families alike, ensuring a level playing field for American manufacturers and supporting continued innovation in critical industries.

We commend your leadership in addressing this pressing issue and urge swift consideration and passage of the Chemical Tax Repeal Act. The U.S. Chamber of Commerce looks forward to working with you

and other policymakers to advance pro-growth policies that bolster economic stability, strengthen domestic industries, and promote American competitiveness.

Sincerely,

Marty Durbin

Senior Vice President, Policy

President, Global Energy Institute

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