



2013 AIA Federal Legislative Priorities

1. SMALL BUSINESS TAX REFORM. The AIA supports comprehensive tax reform and opposes corporate-only reform.

Eight in ten architecture firms are organized as pass-throughs (sole proprietors, S corporations and partnerships) that pay taxes at individual, not corporate, rates. Passing corporate-only tax reform (i.e., lowering corporate tax rates but not individual rates) will hurt small businesses in every industry because important incentives that pass throughs rely on could be wiped away. All businesses, whether they are organized as pass-throughs or C corporations, should be treated equitably in tax reform.

2. ENERGY RETROFITS. The AIA supports efforts to extend and make modest improvements to the Energy-Efficient Commercial Building Tax Deduction (179D).

Buildings account for more than 70 percent of electricity consumption in the U.S. The 179D Energy Efficient Commercial Building Tax Deduction provides building owners a deduction of up to \$1.80/sf for energy efficient improvements. It also helps federal, state, and local governments finance energy improvements that reduce energy costs to taxpayers. The deduction has been a useful financing tool. But it will expire at the end of this year – unless Congress extends it.

3. STUDENT DEBT RELIEF. The AIA supports legislation to allow architecture students to contribute their design abilities to help communities in exchange for student loan assistance.

There are federal programs to help medical, legal and veterinary students in exchange for pro bono work – but not architects. A 2012 survey showed that graduating architecture students carry much higher undergraduate student debt than graduates in many other professions. If these graduates cannot find work, they will leave the profession, making it more difficult for construction work to return to full speed. The AIA supports legislation to extend to architecture graduates student debt relief in exchange for pro bono work.

4. SMALL BUSINESS PROCUREMENT. The AIA supports common-sense reforms to procurement that will help small firms enter the marketplace.

Sharp cuts to federal design and construction budgets mean more competition for fewer jobs – and the cost of competing for small firms is rising. In particular, it averages \$260,000 for an architecture firm to participate in a design-build competition, and that cost is not often reimbursed. As a result, many firms are not taking part, depriving the government of good talent. A fairer federal construction process will help ensure that smaller firms have a chance to compete for jobs.

For more information, contact the AIA Federal Relations Team at 202-626-7438 or govaffs@aia.org.