

LETTER ON THE EXTENSION OF 15-YEAR DEPRECIATION SCHEDULE

October 21, 2009

Dear Senator:

The 15-year depreciation schedule for leasehold improvements, restaurant improvements and new construction, and retail improvements expires at the end of 2009. We, the undersigned, strongly support extension of these important provisions. Seamless extension is imperative to provide businesses with the certainty they need to undertake capital expenditures, which fuel economic activity and create jobs.

Our nation's businesses are looking forward, planning capital expenditures to improve and expand their businesses. For example, according to a National Restaurant Association survey, 42 percent of restaurant operators are considering making a capital expenditure for equipment, expansion, or remodeling in the next six months. The ability to plan for these expenditures and know what the tax treatment will be in subsequent years is important to those who are making those decisions right now.

Moreover, this provision is an important driver of economic stimulus, fueling economic activity and creating jobs. History has shown that favorable tax treatment has spurred a tremendous amount of economic activity. According to the Bureau of Economic Analysis, every dollar spent in the construction industry generates an additional \$2.39 in spending in the rest of the economy and every \$1 million spent in the construction industry creates more than 28 jobs in the overall economy. As the economy begins the process of recovery, businesses need resources necessary to make investments, hire and retain workers, and, in certain cases, keep their doors open – every penny counts.

Extending the 15-year depreciation schedule for leasehold improvements, restaurant improvements and new construction, and retail improvements would provide businesses certainty, while supporting the economy's recovery and providing jobs. We urge you to extend these important provisions. Thank you for your consideration.

Sincerely yours,

Associated Builders and Contractors, Inc.
Association of Kentucky Fried Chicken Franchisees
Auntie Anne's, Inc.
Brinker International
Building Owners & Managers Association International

Burger King Corporation
Darden Restaurants, Inc.
International Council of Shopping Centers
International Franchise Association
International Pizza Hut Franchise Holders Association
National Association of Realtors
National Federation of Independent Business
National Franchisee Association
National Council of Chain Restaurants
National Restaurant Association
National Retail Federation
OSI Restaurant Partners
The Associated General Contractors of America
The Real Estate Roundtable
The Taco Bell Franchisee Association
Wendy's/Arby's Group, Inc.
Yum! Brands, Inc.