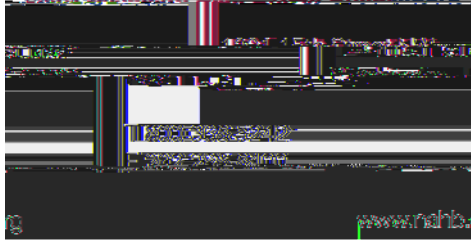


National Association of Home Builders



The adoption of a federal, one-size-fits-all approach to energy codes will exacerbate the current housing affordability crisis and limit energy choices for consumers. Rather, the Department of Energy should help states advance the codes in a manner that best fits the needs of state and local governments.

NAHB supports the long-term extensions included for many of the existing energy tax incentives. However, we oppose leveraging the tax code to expand prevailing wage requirements, which will have inflationary effects across a range of industries. NAHB also opposes the structural changes made to the Section 45L new energy efficient home tax credit. Energy efficiency will not be served by relying on Energy Star for New Residential Construction as the sole means to qualify for the 45L tax credit.

The lack of skilled labor, the high cost of building materials and local land use policies that restrict home and apartment construction are the main drivers of low housing supply and high home prices. Passing legislation to alleviate these supply-side bottlenecks would increase home construction output and lower inflation. If action on these issues is delayed, housing costs, which are one-third of the Consumer Price Index, will continue to be persistent drivers of inflation due to a lack of attainable housing.

NAHB opposes the Inflation Reduction Act of 2022. The legislation does nothing to address the housing supply crisis facing American families. Rather the bill will disincentivize multifamily construction, increase the cost of new homes through higher energy code requirements, and inflate labor costs. The new domestic minimum tax could increase costs on building material man