

May 13, 2025

The Honorable Jason Smith
Chairman
Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Smith:

The undersigned organizations, representing millions of Main Street businesses operating in every industry and community in America, support the budget reconciliation tax package scheduled for markup this week by the House Ways and Means Committee.

This legislation would provide certainty to the more than 95 percent of all American businesses structured as S corporations, partnerships, and sole proprietorships. These pass-through businesses employ 62 percent of the private sector workforce and form the economic backbone of virtually every community nationwide.

Provisions key to the Main Street community include increasing the Section 199A deduction to 23 percent while making it permanent. This provision recognizes the importance of reducing tax rates for the 26 million businesses that rely on the 199A deduction. Coupled with a permanent 37-percent top rate, the legislation would bring the top rates paid by pass-throughs into closer parity with the 21-percent corporate rate.

Main Street also strongly supports provisions to enhance and make permanent the estate tax exemption. Reducing the bite of the estate tax while eliminating the uncertainty surrounding its application will help preserve countless Main Street businesses, sustain jobs, and help ensure these enterprises remain family-owned for generations to come.

We commend you and the Committee for including pro-growth incentives. Reinstating full expensing, expanding deductions for production property, raising the interest expense limitation, and restoring R&E expensing will help ensure American businesses remain competitive. These provisions are a meaningful step toward a tax code that rewards investment, fosters innovation, and supports long-term economic growth.

Certain provisions should be improved. The limitation on SALT deductions for certain pass-through entities is needlessly broad and complex, while tightening and extending the cap on excess losses would make worse a policy that should never have been enacted in the first place.

That said, we strongly support quick action. The sooner Congress acts, the sooner Main Street businesses can return their attention to their employees and communities. We are grateful for your leadership and urge the Committee to advance this legislation, as modified, without delay.

Sincerely,

Agricultural Retailers Association
AICC, The Independent Packaging Association
American Building Materials Alliance
American Council of Engineering Companies
American Council of Independent Laboratories
American Hotel and Lodging Association
American Lighting Association
American Mold Builders Association
American Rental Association
American Staffing Association
American Subcontractors Association
American Supply Association
AmericanHort
Associated Builders and Contractors
Associated Equipment Distributors
Brick Industry Association
CCIM Institute
Coalition of Franchisee Associations
Construction Industry Round Table
Distribution Contractors Association
Door and Hardware Institute
Energy Marketers of America
Family Business Association of California
Family Business Coalition
FCA International
FMI - the Food Industry Association
Foodservice Equipment Distributors Association
Forest Resources Association
Forging Industry Association
Franchise Business Services
Glass Packaging Institute
Industrial Fasteners Institute
Institute of Real Estate Management
International Foodservice Distributors Association
International Franchise Association
International Sign Association
Main Street Employers Coalition
Marine Retailers Association of the Americas
Metals Service Center Institute
Mortgage Bankers Association
National Apartment Association
National Association of Convenience Stores
National Association of Home Builders
National Association of Insurance and Financial Advisors
NATIONAL ASSOCIATION OF REALTORS®
National Association of Wholesaler-Distributors

National Automatic Merchandising Association (NAMA)
National Beer Wholesalers Association
National Council of Agricultural Employers
National Council of Farmer Cooperatives
National Electrical Contractors Association (NECA)
National Electrical Manufacturers Representatives Association (NEMRA)
National Grange
National Grocers Association
National Insulation Association
National Lumber and Building Material Dealers Association
National Marine Distributors Association
National Onion Association
National Ready Mixed Concrete Association
National Roofing Contractors Association
National Tooling and Machining Association
National Utility Contractors Association
National Wooden Pallet & Container Association
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
Ohio AgriBusiness Association
Outdoor Power Equipment and Engine Service Association
Pennsylvania Farm Bureau
Pennsylvania Utility Contractors Association
Pet Industry Distributors Association
Plastics Pipe Institute
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
Professional Beauty Association
S Corporation Association
Small Business Legislative Council (SBLC)
Southeastern Lumber Manufacturers Association
Specialty Equipment Market Association (SEMA)
Spray Polyurethane Foam Alliance
Textile Care Allied Trades Association
The Association for Hose and Accessories Distribution
The Transportation Alliance
Truck Renting and Leasing Association
Water and Sewer Distributors of America
Wine & Spirits Wholesalers of America
WISPA - Broadband Without Boundaries
Workplace Solutions Association
Wyoming Stock Growers Association