Dear Chairmen Wyden and Neal, and Ranking Members Crapo and Brady:

The undersigned business groups strongly support H.R. 1381 and S. 480, the Main Street Tax Certainty Act of 2021, to make permanent the Section 199A 20-percent deduction for qualified business income.

Led by Representatives Jason Smith (MO) and Henry Cuellar (TX) in the House, and Senators Steve Daines (MT), Bill Cassidy (LA), Tim Scott (SC), and Rob Portman (OH) in the Senate, this bipartisan legislation will help ensure permanent tax parity for the millions of employers organized as S corporations, partnerships and sole proprietorships. It will also provide certainty to the countless businesses who have been devastated by the COVID-19 pandemic.

Individually- and family-owned businesses are the backbone of the American economy – they employ the majority of private-sector workers and represent 95 percent of all businesses. Despite the economic importance of the pass-through sector, however, Section 199A is scheduled to sunset at the end of 2025.

These businesses have been hard hit by the COVID-19 pandemic and resulting shutdown policies. According to Yelp’s Local Economic Impact Report, a majority of businesses closed during the pandemic will not reopen, while small business revenues overall have declined by more than 30 percent in the past year.

Making the 199A deduction permanent will help millions of these pass-through businesses during this very difficult time, leading to higher economic growth and more employment. Analysis by economists Robert Barro and Jason Furman found that, among other provisions, making the pass-through deduction permanent would result in significantly increased economic growth in the coming years. The American Action Forum found similar results.

The sooner Congress acts to make Section 199A permanent, the sooner Main Street employers – and the broader economy – will benefit.

We appreciate your consideration of this important legislation.
Sincerely,

AMAC Action
American Council of Engineering Companies
American Farm Bureau Federation
American Foundry Society
American Institute of Architects
American Mold Builders Association
American Supply Association
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Auto Care Association
CCIM Institute
Family Business Coalition
FEUSA
Financial Executives International
FMI - the Food Industry Association
Foodservice Equipment Distributors Association
Forest Landowners Association
Forest Resources Association
GAWDA
Glass Packaging Institute (GPI)
Global Cold Chain Alliance
Heating, Air-conditioning, & Refrigeration Distributors International
Independent Community Bankers of America
Independent Electrical Contractors
Independent Insurance Agents and Brokers of America
Industrial Fasteners Institute
Institute of Real Estate Management
Institute of Scrap Recycling Industries, Inc
International Association of Plastics Distribution
International Council of Shopping Centers
International Franchise Association
International Housewares Association
International Sign Association
Manufactured Housing Institute
Manufacturer & Business Association
Metals Service Center Institute
NACS
Nareit
National Apartment Association
National Association of Electrical Distributors
National Association of Home Builders
National Association of Professional Insurance Agents
National Association of REALTORS®
National Association of Sporting Goods Wholesalers
National Association of Wholesaler-Distributors
National Automatic Merchandising Association
National Automobile Dealers Association
National Beer Wholesalers Association
National Community Pharmacists Association
National Electrical Contractors Association
National Grocers Association
National Insulation Association
National Lumber & Building Material Dealers Association
National Multifamily Housing Council
National Onion Association
National Restaurant Association
National Roofing Contractors Association
National RV Dealers Association (RVDA)
National Small Business Association
National Tooling and Machining Association
National Waste & Recycling Association
NFIB
NMEDA
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
OPEESA
Parity for Main Street Employers
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
S Corporation Association
Service Station Dealers of America and Allied Trades
Small Business & Entrepreneurship Council
Southeastern Lumber Manufacturers Association
Specialty Equipment Market Association
The Real Estate Roundtable
Tile Roofing Industry Alliance
Tire Industry Association
U.S. Chamber of Commerce
United Fresh Produce Association
Wine & Spirits Wholesalers of America
Wisconsin Grocers Association