

June 28, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Chairman
Senate Committee on Finance
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jason Smith
Chairman
Ways and Means Committee
Washington, D.C. 20515

Dear Leader Thune, Speaker Johnson, Chairman Crapo, and Chairman Smith:

The undersigned organizations, representing millions of Main Street businesses in every industry and community across the country, write in strong support of the budget reconciliation tax package recently released by the Senate Finance Committee.

This legislation builds on the foundation laid by the Tax Cuts and Jobs Act and advances a forward-looking, pro-growth tax agenda that supports tens of millions of Main Street enterprises. Critically, it would provide long-overdue certainty to the more than 95 percent of American businesses organized as S corporations, partnerships, and sole proprietorships -- businesses that employ a large majority of the private sector workforce and serve as the economic engine of communities nationwide.

Among the most significant provisions for these businesses are the permanent extension of the Section 199A deduction and the retention of the 37-percent top individual rate. These measures reflect the need for a competitive and equitable tax structure that recognizes the importance of rate parity between pass-through businesses and C corporations, and helps ensure that these employers can continue to invest, hire, and grow.

We also applaud lawmakers for their commitment to ensuring parity when it comes to the deductibility of state and local taxes (SALT) incurred by pass-through businesses. This recently-released draft rightly preserves their longstanding ability to deduct SALT expenses as an ordinary and necessary cost of doing business. This policy reflects a clear understanding that pass-through businesses should not be treated less favorably than their C corporation counterparts and reinforces the principle of equal treatment under the tax code.

Finally, we are pleased to see the inclusion of other critical incentives that will help drive investment and innovation -- provisions such as restoring full expensing, enhancing deductions for production property, easing the interest expense limitation, and reinstating immediate expensing for research and experimentation costs. These reforms represent meaningful progress toward a modern, growth-oriented tax code.

Taken together, these provisions represent a resounding victory for the Main Street business community. We support the package and urge its swift passage into law.

Sincerely,

AICC, The Independent Packaging Association
Air Conditioning Contractors of America
American Council of Engineering Companies

American Council of Independent Laboratories
American Farm Bureau Federation
American Foundry Society
American Hotel and Lodging Association
American Institute of Certified Public Accountants
American Mold Builders Association
American Pipeline Contractors Association
American Resort Development Association
American Staffing Association
American Subcontractors Association
American Supply Association
AmericanHort
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Automotive Service Association
Building Owners and Managers Association (BOMA) International
Energy Marketers of America
FCA International
Foodservice Equipment Distributors Association
Forest Resources Association
Forging Industry Association
ICSC
Independent Insurance and Brokers Association (Big "I")
Industrial Fasteners Institute
International Foodservice Distributors Association
International Franchise Association
International Sign Association
Kansas Livestock Association
Main Street Employers Coalition
Metals Service Center Institute
Mortgage Bankers Association
National Apartment Association
National Asphalt Pavement Association
National Association of Convenience Stores
National Association of Electrical Distributors (NAED)
National Association of Home Builders
National Association of Insurance and Financial Advisors (NAIFA)
National Association of Wholesaler-Distributors
National Beer Wholesalers Association
National Cotton Council
National Electrical Contractors Association (NECA)
National Electrical Manufacturers Representatives Association (NEMRA)
National Grocers Association
National Lumber & Building Material Dealers Association
National Lumber and Building Material Dealers Association
National Ready Mixed Concrete Association
National Roofing Contractors Association
National Small Business Association
National Tooling and Machining Association
National Utility Contractors Association

National Wooden Pallet & Container Association
NATSO, Representing America's Travel Centers and Truck Stops
Nebraska Auto Body Association
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
North American Equipment Dealers Association
Plumbing-Heating-Cooling Contractors - National Association
Power and Communication Contractors Association
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
Private Investor Coalition
Recycled Materials Association
Renewable Fuels Association
S Corporation Association
Service Station Dealers of America and Allied Trades
SIGMA: America's Leading Fuel Marketers
Small Business & Entrepreneurship Council
Small Business Legislative Council (SBLC)
Textile Care Allied Trades Association
The Hardwood Federation
Tire Industry Association
Truck Renting and Leasing Association
Water and Sewer Distributors of America
Wine and Spirits Wholesalers of America