January 8, 2024

The Honorable Chuck Schumer Majority Leader U.S. Senate Washington, DC 20510

The Honorable Mike Johnson Speaker U.S. House of Representatives Washington, DC 20515 The Honorable Mitch McConnell Minority Leader U.S. Senate Washington, DC 20510

The Honorable Hakeem Jeffries Minority Leader U.S. House of Representatives Washington, DC 20515

Dear Majority Leader Schumer, Speaker Johnson, Minority Leader McConnell and Minority Leader Jeffries,

On behalf of the undersigned organizations who represent the interests of taxpayers, consumers and families across the country, we urge you to quickly enact pro-growth tax legislation in the new year. 2023 was challenging for many Americans due to persistent inflation, rising interest rates, and an uncertain economic climate. Congress should immediately work to improve economic conditions with a fiscally responsible, broad-based tax package that encourages more investment in the American economy. Such policies are far preferable to targeted provisions that seek to micromanage the economy by letting the government pick winners and losers.

Specifically, we urge you to pass fiscally responsible tax legislation that includes the following:

Extending the full and immediate expensing provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) (Section 168(k) of the Internal Revenue Code).

Full expensing, or bonus depreciation, is critically important to economic growth because it provides an immediate tax benefit for investing in certain short-lived assets that can increase productivity and wages. Unfortunately, it began phasing out in 2023 and, if Congress fails to act, will completely phase out by 2027.

Reestablishing full deductibility of research & development (R&D) costs (Section 174).

As of 2022, businesses can no longer fully and immediately deduct their R&D investments. Instead, they must amortize these costs over the course of five years. This tax structure undermines American competitiveness and innovation. Congress should quickly restore R&D expensing.

Restoring deductibility of depreciation and amortization costs (Section 163(j)). Section 163(j) of the Internal Revenue Code allows businesses to deduct interest up to a certain limit, which includes 30 percent of adjusted taxable income (ATI). Since 2022, the amount of interest deductions that businesses can take has been limited to 30 percent of earnings before interest and taxes (EBIT) rather than earnings before interest, taxes, depreciation, and amortization (EBITDA), which was the standard during the initial years of TCJA. Restoring this tax provision would be a huge boon to American manufacturers.

Congress should start the new year with legislation that helps get our economy back on track. We strongly urge you to work quickly to include these three provisions in an early-year tax package.

Sincerely,











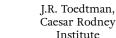


Pete Sepp, National Taxpayers Union Saulius "Saul" Anuzis, 60 Plus Association Stephanie Smith, Alabama Policy Institute

Dick Patten, American Business Defense Council Phil Kerpen, American Commitment Steve Pociask, American Consumer Institute







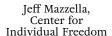


Catholics Count





Ryan Ellis, Center for a Free Economy







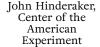








Daniel Mitchell, Center for Freedom and Prosperity



Tom Schatz, Council for Citizens Against Government Waste Scott Parkinson, Club for Growth Iain Murray, Competitive Enterprise Institute

James Edwards, Conservatives for Property Rights



Matthew Kandrach, Consumer Action for a Strong Economy



Patrick Purtill, Faith and Freedom Coalition



Palmer Schoening, Jason Pye, Family Business FreedomWorks Coalition



George Landrith, Frontiers of Freedom



Victor Riches, Goldwater Institute



Cameron Sholty, Heartland Impact



Mario H. Lopez, Hispanic Leadership Fund



Carrie Lukas, Independent Women's Forum



Andrew Langer, Institute for Liberty



Sal Nuzzo, James Madison Institute



Seton Motley, Less Government



Charles Sauer, Market Institute



Christopher Summers, Maryland Public Policy Institute



Wendy Damron, Palmetto Promise



Philip Rossetti R Street Institute



Mike Stenhouse, Rhode Island Center for Freedom and Prosperity



Karen Kerrigan, Small Business & Entrepreneurship Council



Aiden Buzzetti, The Bull Moose Project



David Williams, Taxpayers Protection Alliance



Jon Decker, Viante Foundation



Casey Given, Young Voices