



July 27, 2020

The Honorable Kevin Brady
Ranking Member, House Committee on Ways and Means
1139 Longworth House Office Building
Washington D.C. 20515

Dear Ranking Member Brady:

On behalf of National Taxpayers Union, the nation's oldest taxpayer advocacy organization, we write to applaud you and your colleagues for the Ways and Means Republicans' Pro-Growth Agenda. In particular, NTU strongly supports the American Innovation and Competitiveness Act (AICA) from Representative Estes, the Accelerate Long-Term Investment Growth Now (ALIGN) Act from Representative Arrington, and the Coronavirus Relief for Working Seniors Act from Representative Walorski.

The AICA would correct the mistreatment of research and development (R&D) costs enacted in the Tax Cuts and Jobs Act (TCJA). Though NTU is a strong supporter of TCJA, like many stakeholders we recognized that the transition of R&D costs in TCJA - from full and immediate expensing to five-year amortization, beginning in 2022 - could have a negative impact on American innovation. By restoring permanent, full and immediate expensing for R&D costs, the AICA would ensure that the U.S. remains the world's leader in technological breakthroughs for years to come.

The ALIGN Act would ensure that the full and immediate expensing provisions for short-term assets in the TCJA, due to begin phasing down in 2023, are made permanent. This will reduce uncertainty for thousands of businesses, and allow them to continue to confidently invest in assets like machinery and software without fear of a reduced benefit in the future. As we wrote to Representative Arrington at the time, the ALIGN Act "would accelerate economic growth and allow businesses across America to make more confident investments in their workforce."¹

The Coronavirus Relief for Working Seniors Act would benefit seniors who decide to rejoin the workforce during the COVID-19 crisis. As we wrote to Representative Walorski when she introduced the bill, "[a]s many seniors face unexpected financial hardship, and others feel compelled to come out of retirement and offer their services to workforces on the front lines of pandemic response, your bill would ensure these early retirees are not punished with reductions to their Social Security earnings."²

¹ Arnold, Brandon. "NTU Applauds House Bill to Make Full Expensing Permanent." National Taxpayers Union, May 19, 2020. Retrieved from: <https://www.ntu.org/publications/detail/ntu-applauds-house-bill-to-make-full-expensing-permanent>

² Lautz, Andrew. "NTU Applauds Bill Suspending Earnings Penalties for Social Security Retirees Who Rejoin Workforce." National Taxpayers Union, April 24, 2020. Retrieved from:

We thank you again for introducing your Pro-Growth Agenda, and we particularly appreciate the inclusion of the AICA, ALIGN Act, and the Coronavirus Relief for Working Seniors Act. We look forward to working with you and your colleagues to ensure these provisions are included in any upcoming COVID-19 relief or recovery package.

Sincerely,

Andrew Lautz
Policy and Government Affairs Manager

CC: The Honorable Devin Nunes
The Honorable Vern Buchanan
The Honorable Adrian Smith
The Honorable Kenny Marchant
The Honorable Tom Reed
The Honorable Mike Kelly
The Honorable George Holding
The Honorable Jason Smith
The Honorable Tom Rice
The Honorable David Schweikert
The Honorable Jackie Walorski
The Honorable Darin LaHood
The Honorable Brad Wenstrup
The Honorable Jodey Arrington
The Honorable Drew Ferguson
The Honorable Ron Estes

<https://www.ntu.org/publications/detail/ntu-applauds-bill-suspending-earnings-penalties-for-social-security-retirees-who-rejoin-workforce>