



October 19, 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 (NTU), the nation's oldest taxpayer advocacy organization, I write to thank you and your colleagues for including important pro-growth changes to the tax code in H.R. 11, the Commitment to American GROWTH Act. Extending the full and immediate expensing provisions of the Tax Cuts and Jobs Act (TCJA) and fixing the TCJA's treatment of research and development (R&D) expenses are two of NTU's top tax policy priorities, and we appreciate your continued commitment to ensuring these proposals become law.

The COVID-19 pandemic has had devastating public health and economic impacts on the country. While we believe American ingenuity and innovation will help our country beat the virus and allow us to reopen the economy soon, we acknowledge that the road to a full economic recovery may be long.

Congress has a critical role to play in fostering economic growth and ensuring the tax code favors investment and job creation. That is why we were so supportive of the full and immediate expensing provisions in the TCJA. The benefits of these provisions begin to phase down in 2023, though, while workers and employers may still be recovering income and livelihoods lost to the current recession.

While 2022 is currently the last year employers can benefit from the full and immediate expensing provisions of the TCJA, it is also the first year companies can no longer fully and immediately expense R&D expenditures. Instead, under TCJA, R&D expenses will need to be amortized over five years. NTU strongly supports efforts to undo five-year amortization and permanently allow for full and immediate expensing, which we believe will help the American economy create high-paying jobs well into the nation's recovery.

We applaud your inclusion of these expensing provisions in the Commitment to American GROWTH Act. We also thank Congressmen Jodey Arrington (R-TX) and Ron Estes (R-KS) for their long-time leadership on these proposals through legislation like the ALIGN Act and the American Innovation and Competitiveness Act (respectively). We hope we can continue to partner with you and your colleagues on pro-growth changes to the tax code, which are important now more than ever.

Sincerely,

Andrew Lautz

Policy and Government Affairs Manager

CC: The Honorable Kevin McCarthy, House Republican Leader
The Honorable Jodey Arrington
The Honorable Jackie Walorski
The Honorable Darin LaHood
The Honorable Drew Ferguson
The Honorable Kenny Marchant
The Honorable Tom Reed
The Honorable Ron Estes
The Honorable Adrian Smith
The Honorable David Kustoff
The Honorable Bill Flores
The Honorable Kevin Hern
The Honorable Troy Balderson