



April 16, 2021

The Honorable Pat Toomey
455 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Jodey Arrington
1107 Longworth House Office Building
Washington, D.C. 20515

Dear Senator Toomey and Representative Arrington:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to express our strong support for the Accelerate Long-Term Investment Growth Now (ALIGN) Act. This legislation would ensure that a key incentive for American growth, investment, and innovation remains in place beyond its scheduled phaseout beginning in 2023, which we expect will still be a critical time for the U.S. rebound from the COVID-19 recession.

The Tax Cuts and Jobs Act (TCJA) allowed businesses to fully and immediately recover the cost of investments in certain short-lived assets, like machinery and equipment. The provision, also referred to as bonus depreciation, permits businesses to fully deduct those costs from their tax bill in the year they make the investment rather than spreading the costs out over several years. This is not only the correct tax code treatment for these expenses, but represents a strong incentive for American businesses to invest in the kinds of assets that will make their workers more productive -- which in turn contributes to economic growth, job growth, and wage growth.

The nonpartisan Tax Foundation estimates that: "making the 100 percent bonus depreciation provision in the Tax Cuts and Jobs Act permanent would increase the size of the capital stock by 2.2 percent and long-run GDP by 0.9 percent; the larger economy would result in a 0.8 percent increase in wages and 172,300 full-time equivalent jobs."¹

These are the kind of results lawmakers can expect in the U.S. if Congress passes the ALIGN Act. We are proud to endorse this legislation, and look forward to working with you to ensure it becomes law during this session of Congress. Thank you for your leadership here, and should you have any questions we are at your service.

Sincerely,

Brandon Arnold
Executive Vice President

Andrew Lautz
Director of Federal Policy

¹ York, Erica, and Muresianu, Alex. "The TCJA's Expensing Provision Alleviates the Tax Code's Bias Against Certain Investments." Tax Foundation, September 5, 2018. Retrieved from: <https://taxfoundation.org/tcja-expensing-provision-benefits/> (Accessed April 7, 2021.)