



August 10, 2021

Dear Members of the United States Senate,

The Main Street Employers Coalition, comprised of national trade associations representing individually- and family-owned businesses operating in virtually every sector of the American economy, writes in strong support of Senator Daines's Amendment #3292 to S. Con. Res. 14, the Budget Resolution. The amendment would prohibit the enactment of tax increases on small businesses, as defined by the Small Business Administration, and specifically calls for the preservation of the Section 199A 20-percent deduction for qualified business income.

Individually- and family-owned businesses are the backbone of the American economy, and employ the majority of private-sector workers while comprising 95 percent of all businesses. These businesses rely on provisions such as Section 199A to reinvest in their employees and in the communities they serve.

Without Section 199A, Main Street would pay significantly higher taxes, putting them at a competitive disadvantage and accelerating the economic consolidation taking place in our economy. Recent proposals to limit or repeal the deduction, or allowing it to expire at the end of 2025, would therefore result in fewer jobs, lower wages, and less economic growth in thousands of communities across the country.

Over the past year, nearly 40 percent of small businesses have been forced to close their doors, while countless more are still reeling from the effects of the COVID pandemic. By prohibiting tax increases on Main Street and preserving the Section 199A deduction, the Daines amendment would provide these businesses with much-needed certainty and help them get back on their feet.

We therefore support Amendment #3292, and urge the Senate to vote "yes" on this important measure.

Sincerely,

The Main Street Employers Steering Committee

*American Farm Bureau Federation
Associated Builders and Contractors
Associated General Contractors of America
Independent Community Bankers of America
Mortgage Bankers Association*

National Association of Wholesaler-Distributors
National Beer Wholesalers Association
National Electrical Contractors Association
National Federation of Independent Business (NFIB)
National Grocers Association
National Roofing Contractors Association
S Corporation Association