September 8, 2021

Honorable Richard E. Neal  
Chairman, House Ways and Means Committee  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Neal:

The undersigned organizations representing millions of individually- and family-owned businesses strongly urge you to reject any measures that would raise taxes on Main Street employers as part of the upcoming reconciliation bill.

Individually- and family-owned businesses are the cornerstone of the American economy. They represent nearly all businesses, they employ the vast majority of private sector workers, and they are the building block upon which innumerable communities across this country are built.

The package of tax hikes being considered by the Biden administration and Congress represents a direct assault on these employers. Proposals to raise rates on pass-throughs and C corporations, cap the Section 199A deduction, increase the capital gains tax, and impose capital gains at death would raise taxes on Main Street businesses when they operate, when they are sold, and when they are passed on to the next generation.

This triple threat would lock in unprecedented levels of government spending and taxes that would handicap these businesses, and the communities that rely upon them, for decades to come. They would also violate the President’s pledge not to raise taxes on individuals making less than $400,000 a year. Many individual and family business owners that make less than $400,000, including the 1.4 million private C corporation owners, family businesses with ownership shares held in trust, and entrepreneurs selling their business after a lifetime of work, will be directly harmed by these tax increases.

As inflation and unemployment remain stubbornly high, Main Streets across the country remain boarded up, their businesses closed and their workers idle. Estimates suggest up to one-third of all private businesses have closed their doors during the COVID-19 lockdowns, with more joining them every day.

Congress should avoid tax policies that harm Main Street employers at any time, much less at this difficult moment in our nation’s history. The Biden tax hikes pose a triple threat to the ability of these individually- and family-owned businesses to survive an uncertain future, and we urge Congress to reject them.
Sincerely,

Agricultural Retailers Association
Air Conditioning Contractors of America
American Council of Engineering Companies
American Farm Bureau Federation
American Financial Services Association
American Foundry Society
American Hotel & Lodging Association
American International Automobile Dealers Association
American Lighting Association
American Mold Builders Association
American Pipeline Contractors Association
American Supply Association
Asian American Hotel Owners Association
Associated Builders and Contractors
Associated Equipment Distributors
Association of the Wall and Ceiling Industry
Auto Care Association
Coalition of Franchise Associations
Construction Industry Round Table
Customized Logistics and Delivery Association
Distribution Contractors Association
Energy Marketers of America
Family Business Coalition
Financial Executives International
FMI - the Food Industry Association
Foodservice Equipment Distributors Association
Foundry Association of Michigan
Franchise Business Services
GAWDA
Glass Packaging Institute (GPI)
Global Cold Chain Alliance
Heating, Air-conditioning, & Refrigeration Distributors International
ICSC
Independent Bakers Association
Independent Community Bankers of America
Independent Electrical Contractors
Independent Insurance Agents and Brokers of America
Independent Lubricant Manufacturers Association
Indiana Cast Metals Association
Industrial Fasteners Institute
International Association of Plastics Distribution
International Foodservice Distributors Association
International Franchise Association
International Sign Association
International Warehouse Logistics Association
Irrigation Association
Main Street Employers Coalition
Manufactured Housing Institute
Material Handling Equipment Distributors Association
Metalcasters of Minnesota
Metals Service Center Institute
National Apartment Association
National Association of Convenience Stores
National Association of Electrical Distributors
National Association of Home Builders
National Association of Insurance and Financial Advisors
National Association of Professional Insurance Agents
National Association of Sporting Goods Wholesalers
National Association of Truckstops Operators
National Association of Wholesaler-Distributors
National Automatic Merchandising Association (NAMA)
National Beer Wholesalers Association
National Cattlemen's Beef Association
National Confectioners Association
NATIONAL COTTON COUNCIL
National Electrical Contractors Association
NATIONAL ELECTRICAL MANUFACTURERS REPRESENTATIVES ASSOCIATION (NEMRA)
National Federation of Independent Business (NFIB)
National Franchisee Association
National Grocers Association
National Independent Automobile Dealers Association (NIADA)
National Lumber & Building Material Dealers Association
National Marine Distributors Associations
National Multifamily Housing Council
National Onion Association
National Propane Gas Association
National Ready Mixed Concrete Association
National Roofing Contractors Association
National RV Dealers Assoc (RVDA)
National Small Business Association
National Stone, Sand & Gravel Association
National Tooling and Machining Association
National Utility Contractors Association
National Waste & Recycling Association
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
Ohio Cast Metals Association
Outdoor Power Equipment and Engine Service Association
Petroleum Equipment Institute (PEI)
Plastics Industry Association
Plastics Pipe Institute
Plumbing-Heating-Cooling Contractors—National Association
Policy and Taxation Group
Power and Communication Contractors Association
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
Real Estate Roundtable
Reserve Organization of America (ROA)
Retail Bakers of America
S Corporation Association
Service Station Dealers and Allied Trades
Small Business & Entrepreneurship Council
Society of Collision Repair Specialists (SCRS)
Society of Independent Gasoline Marketers of America
Southeastern Lumber Manufacturers Association
Specialty Equipment Market Association
Spray Polyurethane Foam Alliance
Subchapter S Bank Association
Texas Cast Metals Association
The Association for Hose and Accessories Distribution
The Council of Insurance Agents & Brokers
The Hardwood Federation
The Wholesale Florist and Florist Supplier Association
Tile Roofing Industry Alliance
Tire Industry Association
Truck Renting and Leasing Association
USA Rice
Western Equipment Dealers Association
Wine & Spirits Wholesalers of America