

June 12, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Chairman, Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member, Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Majority Leader Thune, Chairman Crapo, Minority Leader Schumer and Ranking Member Wyden:

On behalf of the Small Business Tax Reform Coalition (SBTRC) and the undersigned small business owners from across the nation, we write to urge Congress to deliver meaningful tax relief to Main Street by passing legislation similar to H.R. 3249 which implements critical reforms to the 199A pass-through deduction that was included in the 2017 Tax Cuts and Jobs Act (TCJA). The 199A deduction has been lauded as a saving grace for small businesses; however, the deduction as it's currently written has not successfully reached the majority of Main Street businesses.

The upcoming expiration of the Section 199A pass-through deduction—which currently allows sole proprietorships, partnerships, and S corporations to deduct up to 20% of their qualifying business income (QBI) from federal income taxes—presents a crucial opportunity for Congress to reevaluate and restructure the deduction to better support small businesses. While proponents of Section 199A often argue that this “small business deduction” benefits Main Street, the reality is that much of its tax savings flowed to the nation’s wealthiest entities and highest-income earners while true small businesses were left with little to no relief. In fact, pass-through entities, which represent 95% of small businesses, with adjusted gross incomes (AGI) of \$100,000 or less received an average deduction of just \$1,997 while the wealthiest entities enjoyed average deductions of over \$1 million. The actual tax savings on a deduction that small is even more insignificant.¹

Furthermore, an analysis conducted by the Joint Committee on Taxation found that more than half of the tax savings claimed under 199A went to the top 1% of income earners.² These entities do not reflect the Main Street businesses that proponents of the deduction have claimed it supports. Instead, the data illustrates how the current structure of 199A has been leveraged by high-income individuals to disproportionately capture tax benefits while the smallest businesses

¹ “The 2017 Tax Bill’s Pass-Through Deduction Largely Favors the Wealthy and Encourages Gaming of the Tax Code,” Center for American Progress, 2024. <https://www.americanprogress.org/article/the-2017-tax-bills-pass-through-deduction-largely-favors-the-wealthy-and-encourages-gaming-of-the-tax-code/>

² “Present Law And Background Regarding The Federal Income Taxation Of Small Businesses.” Joint Committee on Taxation. June 5, 2023. <https://www.jct.gov/publications/2023/jcx-10-23/>

are left to bear the brunt of our nation's tax burden. While we recognize the intent behind the increase of the small business deduction from 20% to 23%, the distribution of the deduction will remain heavily skewed towards passthroughs with higher incomes in the top 1%.³ Therefore, an increase to a deduction that didn't deliver for the smallest entrepreneurs will continue to leave out those that were left out the last time the deduction was passed.

Given the opportunity to revisit the structure and effectiveness of 199A, we urge Congress to pass the Mom and Pop Tax Relief Act which would replace the current 20% deduction with a simplified passthrough deduction of up to \$25,000. This set-dollar deduction would play a pivotal role in reducing the taxable income of millions of small businesses that have not seen substantial savings from the current deduction. For example, a business owner with \$40,000 in Qualified Business Income (QBI) would receive a 199A deduction of just \$5,600 after claiming the standard deduction in 2018. Under this alternative proposal, that same business owner could deduct up to \$25,000 from their tax liability — significantly reducing taxable income and leaving more money in the hands of our nation's smallest businesses. While making the deduction permanent and increasing it to 23% would cost a staggering \$820 billion, over \$100 billion more than simply extending the current 20% deduction, this proposal offers a more fiscally responsible approach by capping the deduction at \$25,000 which will significantly lower the cost of the provision while also increasing tax relief for the smallest businesses that failed to benefit from 199A in its current form.⁴

To remain competitive, small businesses require a tax code that prioritizes their sustainability and growth, enabling them to make investments in their operations and workforce. However, our nation's current tax code does not work for Main Street. In fact, over 80% of small business owners today believe that the tax system favors large corporations over their small business.⁵ As economic uncertainty continues to weigh on Main Street, it's no surprise that 88% of small businesses have listed tax relief and incentives as their top priorities for the 119th Congress.⁶

A mere blind extension of Sec. 199A would be a shortsighted approach that will continue to tilt the scales in favor of larger and wealthier businesses. Small businesses simply cannot afford for Congress to forgo the opportunity that the expiration of Sec. 199A presents to craft more targeted and meaningful tax reforms that will enable our nation's smallest businesses to grow into local job creators and economic innovators.

The clock is ticking for Main Street. Congress must stand with America's entrepreneurs and quickly pass the Mom and Pop Tax Relief Act to provide the true tax relief that so many lawmakers claim they want for small businesses.

Sincerely,

Small Business Majority and Main Street Alliance

³ Ibid.

⁴ "Estimated Budgetary Effects of H.R. 1, the One Big Beautiful Bill Act." Congressional Budget Office. June 4, 2025. <https://www.cbo.gov/publication/61461>

⁵ "Opinion poll: Small businesses support bottom-up tax reforms." Small Business Majority. August 28, 2024. <https://smallbusinessmajority.org/our-research/taxes-budget-economy/opinion-poll-small-businesses-support-bottom-tax-reforms>

⁶ "Voice of Main Street: Entrepreneurs worry about impact of tariffs, other disruptive acts, prefer small business friendly policies." Small Business Majority. February 5, 2025. <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-concerned-about-impact-tariffs-prefer-small-business-friendly-policies>

Below are small businesses across the country that have signed on in support of H.R. 3249

Tanya Love, Owner, Seaside Point, LLC, Santa Clarita, CA

Ian Gordon, Owner/Strength Coach, Gordon Performance Solutions, Irvine, CA

Susan Bodan, Owner, Sew What! Inc, Wilmington, DE

Joni Elteto, Owner, Native Landscapes NW, LLC, Hillsboro, OR

Michelle Thomas, Principal Interior Designer and Owner, M DESIGN STUDIO, LLC, Alexandria, VA

Seth Anderson, managing member, TBD, Santa Barbara, CA

Lashawn Norton, Owner, LDN Marketing Group, Santa Clarita, CA

Jay Fang, Managing Member, Turtlbo, Allen, TX

Olivia Rivera, Owner, OJ's Cafe, Moreno Valley, CA

Janice Coble, Owner, Ye Olde Laundromatte, Watonga, OK

Mary Wahlmeier Bracciano, Co-Owner, Raven Book Store, Lawrence, KS

Enjoli Lackey, Owner/Jewelry Designer, Niyya Next Level Creatives, Mableton, GA

Long Tran, Owner/Managing Member, Custom Defense Firearms LLC, Killeen, TX

Ramon Lopez, Owner, Delfin Trucking Moving, North Hollywood, CA

Jeffrey Patterson, owner, 2 J's & Sons, Noel, MO

Ursula Merz, Bookcliff Farms, Palisade, Colorado

Cindy Beckman, Principal Partner, Architects II, San Francisco, CA

Laura Liebler, Owner, TCA, Tampa, FL

John Carter, owner, The Mission Baking Company, Baltimore, MD

Kerri Anderson, Owner, Healing In Harmony Wellness Center, Chepachet, RI

Dalina Ibarria, Owner, Monis Creations, Los Angeles, CA

Vivian Velasco, President, Pacific Swell Brands LLC, Venice, CA

Candice Hayes, Owner, Sleek Hair Maven, Santa Fe Springs, CA

Thomasina Lawrence, Founder & President, MCGHEE Broadcasting Network, Los Angeles, CA

Mary Avila, Owner, MJ Avila Company, Inc, Fresno, CA

Verlez Younger, Owner, Maria's Wax & Sugar Studios, Stockbridge, GA

Jane Caldwell, business owner, Smart Sewlutions, Washington, PA

Nikki Jackson, CEO, Shiny Individual LLC, Bowie, MD

Maria Salter, Owner, Virtu1m, Burlington, NJ

Maura Knowles, Integrative Health Coach, Mac-n-Mo's, Los Angeles, CA

Tina Santos, Owner, Luz de Luna Reception Hall, Phoenix, AZ

Lisa Liang, Owner, Lisa L, Los Angeles, CA
Stacey Howard, Consultant, Strober Consulting, Atlanta, GA
Odalis/ Fani Leon Reynoso, Owner, Ajr.chemical /Morrocadamia, New York, NY
Wendy Beckman, Owner, Comfortably Number LLC, Madison, WI
Christopher Thee, Owner, Thee Upper Crust Pizza, Sacramento, CA
Jackie Huebbe, Owner /Founder, SugarBot Sweet Shop & Creamery, St Charles, MO
Brian Shriver, Owner, Ross Motorwerks, Lawrenceville, GA
Michael Keith, President, Musicality LLC, Albuquerque, NM
Gwen Ng, consultant, gwen ng, San Francisco, CA
Jalong Evans, CFO, Haven of Peace SHC LLC, Milwaukee, WI
Daniel Peplinski, Owner, Ouroboros Biorefinery, Garner, NC
Ken Kari, Owner, Action photo Service, Concord, CA
Angel Criado, Owner, Rhythm & Grace Ballroom Dance Studio, Seven Hills, OH
Lance Traves, President, Labyrinth Management Group, Inc., Medina, OH
Tracee Holzendorf, President, Tracee Holzendorf, Jacksonville, FL
Maria Alvarado, Provedora infantil, provedor daycare, San Pedro, CA
Yorkys Gonzalez, Owner, On time gonzalez truck, Hutto, TX
Lynisha Senegal, Executive Director, Helping Others Pursue Excellence, Fresno, CA
Kayla Price, Owner, Kayla Price
Angela Green, Licensed Clinical Mental Health Counselor, Living Well International Center, PC, Raleigh, NC
Lorna Anderson, Managing Member, Front Porch Quilts, Buckley, WA
Becky Parker, Small Business & Community Outreach, Ormond Beach Mainstreet, Ormond Beach, FL
Sonya Graywolf, Owner, Sonya Graywolf CPA, Fort Collins, CO
Megan Wyatt, Owner, Wit & Whimsy Toys, Granite Bay, CA
Jennifer Johnson-Kuhn, Business Manager, Argosy Designs, Brooklyn, NY
Sherwin Basil, owner, Riverview Hearing, Speech and Language Center, Long Beach, CA
Mirza Baig, Self employe, Mirza Baig, Brooklyn, NY
Danita Doleman, CEO, SEAS Community Partners, Atlanta, DC
Douglas Leigh, VP, Legislative Affairs, Alliance for Chemical Distribution (ACD), Arlington, VA
Betty Cheung, Owner, Bellaterra Home LLC, Sacramento, CA
Epifanio Ortiz, Owner, EVO&ELEO General Merchandise and Services, Newyork, NY
Jessica Althaus, Founder & Creative Director, Haus5, Washington Dc, DC

Dan Koehler, President, Northern Lights Steel Fabrication, North Branch, MN
Jill Bacon Madden, Owner, Jilly's Music Room / JBM Holdings, LLC, Akron, OH
Tracey Cashman, President, TL Cashman, Albuquerque, New Mexico
Bobbie Mills, Business Support Administrator, Bobbie Mills, Oceanside, CA
Fariborz Mahjouri, CEO, Fariborz Mahjouri, Columbia, MD
Katrina Golden, co founder/owner, Lil Mama's Sweets and Treats, Augusta, GA
Cindy Ranuio, Owner, Daisy Fed LLC, Beavercreek, OR
Ada Ayala, Really estate broker, Ada Ayala & Associates, Ontario, CA
Markus Bohunovsky, CFO, 5 Star Salt Caves, Denver, CO
Priscilla Drawsand, Program Manager, BREAKTHROUGH Featuring LIL-KAGE Curriculum (B.L.K.), Oakland, CA
Valencia Sims, Management Consultant, V-Source Office & Marketing LLC, Atlanta, GA
Jessica Chylik, Solo practitioner, Jessica L. Chylik, Attorney at Law, San Francisco, CA
Cynthia Lax, Principal, CynTax, Pacifica, CA
Brandi Knox, Childcare Provider, Central Valley Women's Entrepreneur Center (WE Center), Bakersfield, CA
Bill Stewart, Owner, LI Toy & Game LLC, Kings Park, NY
Kathleen Shubert, Owner, Shubert Collision Center, New Buffalo, MI
Lois Ellis, Executive Director/President Owner, Hope Whispers Community Organization/Jones Rehab Inc, Canton, OH
Nancy Kinner, Controller, Discovery Machine Inc., Williamsport, PA
Emilee Smith, CEO, Optimum CarePath Wellness Center, Philadelphia, PA
Anna Maria Viti-welch, President, The VITI Companies, Highwood, IL
Megan Gallagher, Founder, Third Space Fitness Collective, Glenside, PA
Anthony Miserendino, Owner, Wayward DUI Counseling, Inc., Algonquin, IL
Monica Clubb, Owner/ Esthetician, Monica Quintanilla, Austin, TX
Keith Hayes, Owner, A-1 Automotive & Collision, Riverdale, GA
Cecilia Hodges, CEO, Cecilia Hodges, Bowie, MD
Frank Nagy, Dental Technologist, Golden Angle LLC, Sunrise, FL
Julie Singh, Co-Founder, TripOutside, Durango, CO
Steven Vogel, retired, Falls Church, VA
Shirley Modlin, 3D Design and Manufacturing LLC, Powhatan, VA
Rebecca James, Abovo LLC, Mission Hills, KS
Laurie Allen, ACMS Northwest, Portland, OR
Jerry Alexandratos, Alexandratos Rental Properties, Frederick, MD

Beth Caramanidis, Art for Kids, Oshkosh, WI
Dawn Cline, aspen copies & office supplies, Los Alamos, NM
Whitney Aldrich, Axel's Frame Shop and Gallery, Waterbury, VT
Apollo Woods, Bigger Than Food, Edmond, OK
Adriana Lozada, Birthful, Rochester, NY
Patrick Snyder, BizStarts, Williams Bay, WI
Marial Lawson - Washington, Blessed Ink Notary LLC, Houston, TX
Betty Pittard, BP Consulting, Chattanooga, TN
Sharon Maxwell, BRATTON CONSTRUCTION, LLC, Portland, OR
Bruce Tunze, Bst Companies Inc, Tucson, AZ
Christa Byler, Byler Bodywork LLC, Minneapolis, MN
Chads Design Build, Madison, WI
Chloe Longmire, Chase My Creations, Milwaukee, WI
David Borris, Chicago Area Peace Action, Highland Park, IL
Christina Miller, Christina T Miller Consulting, LLC, Oxford, OH
Philip Dorwart, Create Catering, Minneapolis, MN
Dana Kingery, Dana Kingery Illustration, Minneapolis, MN
Dianne Post, Dianne Post Law Office, Phoenix, AZ
Davida Reed, Divine Twenty Six, Pontiac, MI
Eric West, Eagle Yachts, Daytona Beach, FL
Gladys Jones, Ece On the Move, Staten Island, NY
Rebecca Soule, Elizabeth City Downtown, Inc., Elizabeth City, NC
Maryellen Redish, Ellen Redish & Associates, Palm Springs, CA
Ayan Wilson, Everyone's Daycare Inc., Bronx, NY
J Kelly Conklin, Foley Waite LLC, Glen Ridge, NJ
Samantha Kassel, Fred's Frozen Custard and Four One Four Events, Milwaukee, WI
Judy Ferro, Freelance Writer, Caldwell, ID
Geoffrey Saign, Geoffrey Saign, South Saint Paul, MN
Gerald Slater, Gerry Slater Design, Milwaukee, WI
Katerina Klawes, Gloss Moss, Milwaukee, WI
Robert Scarlett, Hunter Scarlett Consulting, Lino Lakes, MN
Laura Meyers, Imminent Brewing, Northfield, MN
Nate Hildebrand, inNate Graphix, Portland, OR
Irene Strohbeen, Irene Strohbeen and Associates LLC, Menasha, WI

Irwin Arnstein, irwin arnstein inc, Garland, TX
Jennifer Berres, Jenstar Movement Studio, Green Bay, WI
Maria Taylor, Keep Your Paws at Home, Davenport, IA
Laura Chamberlin, Laura Chamberlin Professional Chef LLC, Flagstaff, AZ
Mark Smith, Lauren Faith Smith Ministry for Nonviolence, Oconto Falls, WI
Leah Nash, Leah Nash, Greenville, SC
Sarah Henshaw, Leaves of Change VT, Stowe, VT
Manolo Betancur, Manolo's Bakery, Charlotte, NC
Briar Winters, marble & milkweed, New York, NY
Marie D'Ambrosio, Marie Ambrosia and Assoc Unlimited, Acworth, GA
Steven Nasta, MIGHTY TIDY CO., New City, NY
Tom Devine, Olympia, WA
Jim Loveland, St Petersburg, FL
Mary Ann Maikish, Mamaroneck, NY
Nancy Schulman, NYC Department of Education, Long Beach, NY
Deborah Field, Paperjam Press, Portland, OR
Monique McClean, Pearl Wine Cottage, Ephraim, WI
Nancy Sobin, Professional Paperwork Services, LLC, Lawrence Township, NJ
Lee Mercer, Real Estate Investment, Silverton, OR
Marne Mercer, rental investment, Silverton, OR
Harvey Zuckman, Retired, Minneapolis, MN
Kehaulani Jones, Rowley Creek Farm, Baraboo, WI
Nancy Fallon-Houle, SBAC, Ellevate, SBDC, WBDC, SCOR, NASDAQ, Homer Glen, IL
Laura Huddlestone, Sound Massage Therapy, Seattle, WA
Susan Stewart, Stewarts' Cheesecake, Hanover Park, IL
Katherine Raz, The Fernseed, Lakewood, WA
Laurel Tucker, The Tucker Schoeman Venture (architects), Claremont, CA
Mary Tinkey, Tiny Tots Daycare, Mosinee, WI
Velasquez Family Coffee, Saint Paul, MN
Vicky White, Vicky's Travel, Seattle, WA
Kate MacCrimmon, WECA, Madison, WI
Robert Wist, Wist Business Supplies & Equipment, Phoenix, AZ
Kathryn Dicks, Zebraline Logistics LLC, Sun Prairie, WI