



## IWV Supports the Main Street Tax Certainty Act

October 30, 2023

Dear Senators and Members of Congress,

Independent Women's Voice is the leading national women's organization dedicated to advancing policies that expand people's freedom, opportunity, and well-being.

We support the Main Street Tax Certainty Act (H.R. 4721), legislation that would permanently extend Section 199A of the Internal Revenue Code. Section 199A is currently slated to expire in 2025. Introduced by Representatives Lloyd Smucker (R-PA) and Henry Cuellar (D-TX), and cosponsored by nearly 100 Members, this bill enjoys wide bipartisan support for good reason. It will provide small businesses certainty about the tax environment and prevent them from being slapped with significant tax increases in the near future.

Small business ownership has created ladders of opportunity for Americans, especially women. Women own **12 million** small businesses (43% of all small businesses), generating \$2.1 trillion in total sales. Most of them are solo enterprises. Access to capital is one of the biggest challenges female entrepreneurs face. Men start their businesses with six times as much capital as women on average.

Congress should pursue tax policies that help female entrepreneurs start and grow their enterprises, such as lowering taxes and allowing small business owners to deduct business expenses.

Most small businesses are structured as pass-through entities, such as sole proprietorships, partnerships, or S corporations, and are not subject to the corporate income tax. Pass-throughs report income on the owners' individual income tax returns and are taxed at individual income tax rates.

Thanks to the 2017 Tax Cuts and Jobs Act, pass-through entities can now deduct up to 20% of qualified business income. Section 199A was adopted to encourage job creation and economic growth by reducing the tax burden pass-through businesses face and to create tax parity between pass-throughs

and C corporations, which have a lower tax rate. The expiration of the deduction will place a harsh and unfair penalty on America's economic engine—small business employers.

In 2019, eight in ten small business owners **viewed** the creation of this small business deduction as important. Recently, **nine in ten** small business owners supported extending expiring tax provisions such as this deduction. However, uncertainty about the kind of tax environment they face in the future is impacting their businesses now. Congress need not wait but should pass common-sense legislation like the Main Street Tax Certainty Act now to provide small businesses the certainty they need to plan, invest, and grow.

Respectfully,

A handwritten signature in black ink that reads "Hadley Heath Manning". The signature is written in a cursive, flowing style.

Hadley Heath Manning  
*Vice President for Policy*  
*Independent Women's Voice*