



April 29, 2015

The Honorable Susan Collins  
U.S. Senate  
413 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Collins,

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I write in support of your *Small Business Tax Certainty and Growth Act*, which would provide certainty and permanency with regard to several important tax provisions for small businesses.

The most important source of financing for small business is their earnings, i.e. cash flow. In fact, cash flow is ranked 13<sup>th</sup> out of 75 potential business problems in NFIB's *Small Business and Priorities*. This is why NFIB is particularly pleased to see the inclusion of reformed Section 179 expensing and expanded eligibility for cash accounting in your legislation.

Expensing provides small businesses with an immediate source of capital recovery and improved cash flow. Unfortunately, small business expensing levels have only been increased on a temporary basis, and at the beginning of this year the limit reverted back to \$25,000, which is highly inadequate for the needs of small businesses. Unless Congress acts, this lower expensing limit will mean that only 30 percent of NFIB members will receive the full benefit of small business expensing in 2015. A 2015 NFIB Research Foundation study shows that a permanent expansion of the expensing deduction allowance limit to \$500,000 could increase employment by as much as 197,000 jobs. NFIB supports permanently increasing expensing limits to \$500,000 as well as permitting taxpayers to expense the cost of some improvements to real property. We appreciate you accomplishing these goals in your legislation while also permanently indexing this provision to inflation.

Furthermore, small businesses would benefit from the greater ability to use cash accounting for tax purposes. This simplified accounting process would alleviate some of the complexity of the tax code, which currently makes it very difficult for small business owners to plan future investments, hire new workers and grow their businesses. Expanded cash accounting would help business owners manage cash flow while better reflecting their ability to pay taxes.

Thank you for introducing this important legislation. We look forward to working with you to provide tax relief for small businesses in the 114<sup>th</sup> Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Austin". The signature is fluid and cursive.

Amanda Austin  
Vice President  
Public Policy