



Maine Society of Certified Public Accountants
Educational & Research Foundation of the Maine Society of CPAs

May 1, 2015

The Honorable Susan Collins
413 Dirksen Senate Office Building
Washington, DC 20510

RE: Small Business Tax Certainty and Growth Act of 2015

Dear Senator Collins:

On behalf of the Maine Society of Certified Public Accountants (MECPA), our members, and the thousands of Mainers they employ and advise, we appreciate your tremendous efforts devoted to tax reform.

We applaud the introduction of the Small Business Tax Certainty and Growth Act of 2015 and support the following provisions which satisfy the core principles of fairness, transparency and simplicity and will help share a better tax system for taxpayers and the accounting profession:

- **Makes permanent Section 179 expensing at \$500,000**
MECPA supports making section 179 permanent. Taxpayers and tax practitioners need certainty to perform any long-term tax, cash-flow or financial planning and reporting. The permanence of tax provisions, such as the enhanced section 179 deduction, can have impacts on the growth of small businesses. The section 179 provision allows small and mid-size business owners to immediately take a tax deduction on qualifying equipment, rather than delaying the deduction and taking it in smaller portions over an extended period of years.
- **Allows more small businesses to use the simpler cash method of accounting**
MECPA supports increasing the availability of the cash method of accounting for tax purposes. Under present law, individuals, pass-through entities (partnerships and S corporations), personal service C corporations, and, if their gross receipts are not more than \$5 million, C corporations (and partnerships with any C

corporation partners), are generally entitled to use the cash basis method for tax purposes. The Small Business Tax Certainty and Growth Act increases the current threshold from \$5 million to \$10 million in average gross receipts for C corporations (and partnerships with any C corporation partners).

The cash method of accounting is a longstanding method of accounting that is easier to administer and reduces recordkeeping burdens for taxpayers.

- **Sense of the Senate regarding tax reform**

MECPA supports tax reform simplification efforts because we are convinced such actions will significantly reduce taxpayers' compliance costs, encourage voluntary compliance through an understanding of the rules, and facilitate enforcement actions.

We appreciate the opportunity to provide comments and look forward to working with you. If you have any questions, please contact me at 207-941-70421 or at martinsprt@aol.com or contact Wendy Whiting, MECPA Executive Director at 207-761-0925 or at wwhiting@mecpa.org.

Sincerely,

Dewey W. Martin, CPA, President
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