September 11, 2023

Re: Conservative Groups Urge Vote on American Families and Jobs Act

Dear Members of Congress,

We write in support of the American Families and Jobs Act — legislation that will provide necessary tax relief to struggling Americans facing rising prices and economic hardship.

We believe it is vital for Congress to offer an alternative to the failed economic policies of the Biden Administration that flooded the country with unnecessary spending, raised taxes and slowed growth.

The American Families and Jobs Act provides significant tax cuts and tax simplification for households and small businesses that will spur economic growth, increase jobs and lead to higher wages for workers.

This legislation provides a direct middle income tax cut by increasing the standard deduction and promotes economic growth by extending expired and expiring provisions of the 2017 Tax Cuts and Jobs Act. It repeals market-distorting subsidies from the misnamed Inflation Reduction Act and eliminates the new IRS 1099-k paperwork reporting rule targeting Venmo and PayPal transactions.

The American Families and Jobs Act deservedly passed out of the House Ways and Means Committee with the support of every Republican committee member.

We now urge the full House to swiftly consider this bill and for every Member of Congress to vote in support of the American Families and Jobs Act.

Below are key provisions of the American Families and Jobs Act that simplify the tax code, reduce taxes for families and businesses, and lead to higher wages and new or better jobs.

1. Middle Income Tax Cut

This legislation would provide a direct middle income tax cut through a new increase in the standard deduction. This “guaranteed deduction bonus” would increase the standard deduction by $2,000 for single-filers and $4,000 for joint-filers over the next two years.

Thanks to the Tax Cuts and Jobs Act (TCJA), 90 percent of Americans, almost all low- and middle-income, choose to claim the
standard deduction. This reform would significantly reduce Americans’ tax burden by increasing the income they do not have to pay taxes on to $15,850 for single-filers and $31,700 for joint-filers.

This provides further tax simplification for hardworking households. Since Republicans enacted the Tax Cuts and Jobs Act (TCJA) in 2017, roughly 35 million households no longer have to itemize deductions.

2. **Repeals Biden’s 1099-K IRS Paperwork Nightmare**
As part of their so-called “stimulus” bill in 2021, Democrats lowered the 1099-K reporting threshold from $20,000 and at least 200 transactions to $600 with no required transactions, empowering the IRS to target gig workers and any American who uses Venmo or PayPal. This legislation would repeal this harmful policy, ensuring Americans will not be buried in IRS paperwork or made to pay taxes they don’t owe.

3. **Extends Full Business Expensing**
This legislation would extend full business expensing implemented in the TCJA for new investments. This policy helps encourage new investment, which helps promote greater facility expansion, economic productivity, job growth, and higher wages.

This policy also simplifies the tax code by equalizing the tax treatment of new investments with other business expenses such as wages, rent, and healthcare costs. There is no reason a business should be able to deduct the costs of its utilities, rent, insurance, office supplies, etc. but be required to deduct the cost of their property over decades.

4. **Restoring Immediate Deduction of R&D Costs**
The TCJA allowed companies to immediately deduct research and development costs. Previously, companies were forced to gradually spread those expenses over time for as long as 15 years. In 2022, this became reality again, as this provision of TCJA expired. The American Families and Jobs Act restores immediate deduction of R&D costs, re-incentivizing American companies to innovate.

5. **Restore TCJA Interest Deductibility**
Under the TCJA, businesses could deduct net interest expenses up to 30 percent of earnings before interest, tax, depreciation, and amortization (EBITDA). Unfortunately, starting in 2022, the deduction was narrowed to 30 percent of earnings before just interest and tax (EBIT). This increased the tax burden for many capital-intensive taxpayers, including manufacturing businesses, especially because of today’s notably higher interest rates.
6. **Increases Small Business Immediate Expensing to $2.5 Million**

The TCJA doubled the immediate expensing limit for small businesses from $500,000 to $1 million. This provision helped small businesses raise productivity, increase wages, and hire more staff. The American Families and Jobs Act would build on this success, by raising the limit to $2.5 million.

7. **Repeals Democrats’ New Oil Tax**

The legislation will help Americans pay less at the pump by fully repealing Democrats’ $12 billion tax hike on crude oil passed in the Inflation Reduction Act. Democrats imposed a 16.4 cents-per-barrel tax on crude oil and imported petroleum products. This tax has been passed on to consumers in the form of higher gas prices.

8. **Eliminates a Burdensome IRS Reporting Rule**

Currently, business owners are required to send tax forms to contractors they use if the contractors provide over $600 worth of work to their business. This rule — and threshold level — was established in 1954, and thus has not been inflation-adjusted in almost 70 years. The American Families and Jobs Act would increase this reporting threshold to $5,000, significantly reducing red tape for small businesses.

The undersigned organizations urge the full House of Representatives to vote on this legislation and for every Member of Congress to vote in support of the American Families and Jobs Act.

Onwards,

Grover Norquist  
President, Americans for Tax Reform

Lisa B. Nelson  
CEO, ALEC Action

Bob Carlstrom  
President, AMAC Action

Steve Pociask  
President & CEO, The American Consumer Institute
Thomas Pyle  
President, American Energy Alliance

Ryan Ellis  
President, Center for a Free Economy

Marty Conors  
Center-Right Coalition Alabama  
Former Chairman of the Alabama Republican Party

Tom Schatz  
President, Citizens Against Government Waste

Phil Kerpen  
President, Committee to Unleash Prosperity

Iain Murray  
Senior Fellow, Competitive Enterprise Institute

Gerard Scimeca  
Chairman, Consumer Action for a Strong Economy

James Erwin  
Executive Director, Digital Liberty

Adam Brandon  
President, FreedomWorks

George Landrith  
President, Frontiers of Freedom

Cameron Sholty  
Executive Director, Heartland Impact

James Taylor  
President, Heartland Institute

Heather R. Higgins  
CEO, Independent Women’s Voice

Seton Motley  
President, Less Government

Tim Jones  
Former Speaker, Missouri House  
Chairman, Missouri Center-Right Coalition
Pete Sepp  
President, National Taxpayers Union

Doug Kellogg  
Executive Director, Ohioans for Tax Reform

Tom Hebert  
Executive Director, Open Competition Center

Jeff Kropf  
President, Oregon Taxpayer Coalition and the Oregon Capitol Watch Foundation

Daniel J. Erspamer  
CEO, Pelican Institute for Public Policy (Louisiana)

William L. O'Brien  
Chairman, Pine Tree Public Policy Institute  
Sponsor of the New Hampshire Bi-monthly Center Right Meeting  
RNC National Committeeman for New Hampshire

Daniel Turner  
Founder & Executive Director, Power the Future

Mike Stenhouse  
CEO, Rhode Island Center for Freedom & Prosperity

Paul Gessing  
President, Rio Grande Foundation

David Miller  
Chair, Southwest Ohio Center Right

David Williams  
President, Taxpayers Protection Alliance

Kevin Riffe  
West Virginia Center-Right Coalition Leader

Saulius “Saul” Anuzis  
President, 60 Plus Association

James L. Martin  
Founder/Chairman, 60 Plus Association