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### **House Ways and Means Committee Passes Tax Package Aimed at Growing Economy**

The House Ways and Means Republicans have put together a package of tax bills aimed at enacting pro-growth tax policies, including expanding Section 179 expensing to \$2.5 million, restoring the Research and Development Tax Credit that has lapsed, requires businesses to amortize R&D expenses over five years, and extends interest deductibility.

The bill will likely come to the floor before the House goes to August recess, where it will likely be approved along party lines. The goal of the legislation is an opening offer for an eventual bipartisan tax bill at the end of this year or the end of this Congress. Democrats have pushed for an extension of their expanded Child Tax Credit, however, the cost of the extension is high, and Republicans want an equal amount of their tax priorities in exchange. This economic package, along with other expiring provisions such as full business expensing through Bonus Depreciation, could provide the parity needed to pass a larger bipartisan tax package. A similar bill was passed in 2015 called the PATH Act and helped clear the path for the Tax Cuts and Jobs Act passed in 2017.

### **House Passes Several Healthcare Bills to Help Small Businesses**

The House of Representatives has passed the CHOICE Arrangement Act, which would take the Association Healthcare Plan rules created by the Trump Administration and put them into law. Association Health Plans allow groups to form joint healthcare insurance plans to reduce rates closer to those paid by large employer healthcare plans. The rules passed by the Trump Administration were struck down by the courts in 2022, making Congressional action necessary.

In addition to the CHOICE Arrangement Act, the House also passed the Employer Reporting Improvement Act, which would make it easier for employers to comply with or respond to penalties imposed under the Affordable Care Act. Currently employers may be penalized for tax credits given to employees with a limited window to appeal the penalty. This legislation would extend the appeal timeline to 90 days.

### **Pass-through Business Tax Deduction Permanency Introduced in Senate, Soon in House**

Section 199A, the pass-through business tax deduction, a 20% deduction on income from a pass-through business entity, is one of several tax provisions set to expire in 2025. Without Section 199A, pass-through businesses would be severely disadvantaged compared to C-corporations, which pay a 21% tax rate. Senator Steve Daines (R-MT) has introduced the Main Street Tax Certainty Act, which would make the deduction permanent. A companion piece of legislation will soon

be introduced in the House of Representatives. NAED has supported both pieces of legislation with a coalition of business trade associations.

**For more information:**

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