

Smucker and Daines Re-Introduce Bills to Permanently Extend 199A in IRS Code to Keep Pass-Through Entities Competitive

Bipartisan legislation Supported by 152 House Members, Most Co-Sponsored Bill This Season

WASHINGTON, DC, UNITED STATES, February 7, 2025 /EINPresswire.com/ -- House Member Rep. Lloyd Smucker (R-PA) and Senator Steve Daines (R-MT) have introduced bills to permanently extend [Section 199A in the Internal Revenue Code](#) to keep the 20% deduction for pass-through business entities.



The two bills, presented to the House of Representatives and Senate, respectively, were introduced on the same day, January 23, 2025. They both address Section 199A of the IRS tax code, which was adopted as part of the 2017 Tax Cuts and Jobs Act (TCJA), expiring at the end of this year.

Section 199A allows for a 20% deduction of qualified income for pass-through businesses. Over 80% of family businesses, according to Family Enterprise USA research, are structured as pass-through entities and have been disadvantaged by [corporate tax rates](#) set at 15%, versus pass-through entity rates that could go as high as 43% next year.

Section 199A was designed in TCJA to level the playing field between pass-through entities and traditionally larger corporations that enjoy lower tax rates.

Rep. Smucker, a senior member of the tax-writing House Ways and Means Committee, re-introduced the Main Street Tax Certainty Act to the House of Representatives with co-sponsorship by 152 House Members, representing two-thirds of the House Republican Conference. It is the most co-sponsored tax bill introduced so far this session.

Additionally, U.S. Senator Steve Daines, along with Senate Majority Leader John Thune (R-SD), and 33 Republican Senators, introduced to the Senate the "Main Street Tax Certainty Act" to

make the 20% pass-through business tax deduction (199A) permanent. Both Rep. Smucker and Sen. Daines noted that should these tax cuts expire, small and large family businesses will “face an immediate and massive tax hike.”

Legislators Speak Out on 199A

“As the son of a contractor, I’ve seen firsthand the hard work it takes to keep a small business flourishing, especially as Americans are still grappling with the effects of Joe Biden’s inflation,” said Sen. Daines. “It’s absolutely crucial that we pass this legislation to prevent a 20 percent tax increase for hardworking Montanans and I’ll keep fighting for ways to support Montana small businesses, which provide the majority of jobs in our state,” he said.

With the introduction of his bill, Rep. Smucker said he was seeking to promote equity in America’s tax code between family businesses on Main Street with larger corporations.

“When small businesses thrive, our communities thrive,” said Re. Smucker. “Small businesses need predictability and making Section 199A permanent will provide Main Street with the certainty they need to invest in their workforce, operations, and community. This pro-growth policy will ensure small businesses [maintain tax parity](#) with larger corporations,” he said.

Supporting 199A Bills

“We applaud both Rep. Smucker and Sen. Daines on their proposed extension of 199A and other extensions to the Tax Cut and Jobs Act that will significantly help family businesses remain healthy and keep their hard-earned savings and business investments,” said Pat Soldano, President of the Policy and Taxation Group and Family Enterprise USA, advocates for family businesses, family offices, and successful individuals. “Making these tax provisions permanent provides long-term certainty and helps with investment planning to keep America’s number one private employer, family businesses, strong and healthy from generation to generation,” she said.

America’s multi-generational family-owned businesses contribute \$7.7 trillion annually to the U.S. gross domestic product, according to research. Family businesses are the largest private employers in the country, accounting for 83.3 million jobs, or 59 percent of the country’s private workforce, research shows.

About Policy and Taxation Group

Policy and Taxation Group is the voice of successful individuals, family offices, and family businesses in Washington, D.C., focused exclusively on the critical tax and economic issues that impact them. Policy and Taxation Group is a 501(c)(4) organization comprised solely of families directly or indirectly impacted by these harmful taxes and regulations. For more information and support go to policyandtaxationgroup.com.

About Family Enterprise USA

Family Enterprise USA promotes generationally owned family business creation, growth, viability, and sustainability by advocating for family businesses and their lifetime of savings with Congress in Washington DC. Since 2007, Family Enterprise USA has represented and celebrated all sizes, professions, and industries of family-owned enterprises and multi-generational employers. It is a bipartisan 501.c3 organization. www.familyenterpriseusa.com

Bob Chew

Policy and Taxation Group

+1 310-383-0528

[email us here](#)

Visit us on social media:

[Facebook](#)

[X](#)

[LinkedIn](#)

[Instagram](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/783844347>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.