



April 28, 2025

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Steve Scalise  
Majority Leader  
United States House of Representatives  
Washington, DC 20515

The Honorable Tom Emmer  
Majority Whip  
United States House of Representatives  
Washington, DC 20515

The Honorable Jason Smith  
Ways & Means Chairman  
United States House of Representatives  
Washington, DC 20515

Dear Speaker Johnson, Majority Leader Scalise, Majority Whip Emmer and Chairman Smith:

The Tax Cuts and Jobs Act provided historic tax relief for America's family owned and operated businesses, helping them to expand, upgrade equipment, and grow their workforces. These family businesses provide the majority of jobs in the country and also serve as pillars of their communities, helping to sponsor the local little league baseball team, hosting community events, and supporting local charities.

Cutting marginal tax rates across the board, lowering the corporate tax rate, providing death tax relief, enacting immediate expensing, and creating a new 20% small business deduction fueled economic growth for these small businesses across the country. Family businesses face unique challenges when working to keep the doors open. Most family businesses operate on tight margins, and their ability to grow and support their employees is highly dependent on their overall tax burden.

FBC fully supports your efforts to permanently extend TCJA and in addition urges you against raising taxes on any US businesses in the process. As an example, recent proposals to limit businesses' ability to deduct state and local taxes from their federal returns would be a step in the wrong direction with respect to simplifying the tax code and providing tax relief. While the majority of our family businesses are "pass-through" businesses like S-Corps, LLCs, and sole proprietors, we also jointly represent millions of privately owned C-Corporations. Privately owned corporations that do not issue shares to the public far outnumber public companies. Any proposal that rolls back their ability to deduct state and local would dampen the economic benefits of renewing TCJA. The Tax Foundation recently [warned](#) that limiting C-SALT will reduce economic output and would effectively amount to a corporate tax rate increase for many private businesses.

In addition, raising the top marginal rate is a non-starter for the small business community. The S-Corp Association recently led a coalition letter signed by over [90 organizations](#) which states in part: "As long-time Main Street champions, we encourage you to stand strong and oppose any effort to increase income tax rates, including recent proposals to raise the top individual rate to 40 percent. This idea is presented as a modest adjustment affecting only the wealthiest Americans, but it would disproportionately harm hundreds of thousands of pass-through businesses organized as S corporations, partnerships, and sole proprietorships."

Republicans were elected on a promise to lower the business tax burden across the board to help all job creators. As an organization dedicated to protecting America's main economic engine – family businesses – we know tax reform has the capability to foster a better business climate that promotes private business expansion and job growth. Any rolling back of the current C-SALT deduction or raising the top marginal rate on job creators would undermine the core values of principled, pro-growth, and fiscally responsible tax reform.

We stand ready to work with you once again usher in the greatest economy in history. Our members have participated in a number of tax hearings and roundtables in full support of your plan to make important provisions of the Tax Cuts and Jobs Act Permanent. We look forward to continuing to support your efforts to provide tax relief for businesses of all sizes and the millions of working families they employ.

Palmer Schoening  
*Chairman*  
*Family Business Coalition*