



July 10, 2009

Senator Charles Grassley
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Ranking Member Grassley:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I am writing to thank you for introducing S. 1381, the Small Business Tax Relief Act of 2009.

Small business is the source of economic growth and job creation, but the NFIB Small Business Economic Trends (SBET) survey has been near historic lows since September, with plans to hire and make capital expenditures showing little sign of improvement. To get the small business economy moving again, small businesses need the tools and incentives to expand and grow their businesses.

S. 1381 provides the kinds of tools and incentives that small businesses need. Specifically, increasing and making permanent section 179 expensing will provide small businesses with the incentives and certainty to make new investments in their business. Providing a 20 percent deduction for smaller flow-through businesses and reducing the tax rate on smaller C corps will allow all small businesses to keep more of their income to invest back into the business. Finally, providing full deductibility of health insurance for the self employed provides tax equity, lowers the cost of health insurance, and improves an important deduction for these business owners.

These and other provisions in the bill will reduce the tax burden on small businesses. This is especially important in the current economic environment with many small businesses struggling to find access to credit. Allowing business owners to keep more of the money they earn provides an immediate source of capital that will be invested back into the business.

Thank you again for your continued efforts to support small business owners and to reduce their tax burden. I look forward to working with you to see that this bill becomes law.

Sincerely,

A handwritten signature in black ink that reads "Susan Eckerly". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Susan Eckerly
Senior Vice President
Public Policy

National Federation of Independent Business

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