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July 31, 2018

The Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Mnuchin:

Thank you for attending NFIB's 75<sup>th</sup> anniversary with President Trump. I am pleased you were able to see NFIB members' enthusiasm for the *Tax Cuts and Jobs Act* firsthand.

Building on the successes of the *Tax Cuts and Jobs Act*, I urge you to consider opportunities through which the Treasury Department can continue to support small businesses and bolster our thriving economy.

Specifically, I encourage you to adjust the calculation of capital gains to account for inflation.

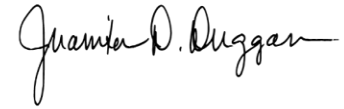
Because Congress must contend with numerous institutional rules under the reconciliation process, significant tax policy options were limited or not incorporated into the *Tax Cuts and Jobs Act*. For instance, several provisions important to small business, including Section 199A, sunset at the end of 2025.

While expiring provisions require Congressional action, the Treasury Department has the authority to correct the calculation of capital gains. Various precedents, including *Verizon v. FCC (2002)* and *National Cable & Telecommunications Association v. Brand X Internet Services (2005)*, provide the legal authority for Treasury Department action.

Beyond advancing sound policy, this correction would create jobs and boost the economy. Last year, former Treasury Department economist Gary Robbins estimated that indexing capital gains for inflation would, by 2025, create an additional 400,000 jobs, grow the U.S. capital stock by \$1.1 trillion, and boost GDP by roughly \$500 billion. These projections promise good news to small business owners across the country.

Thank you for your consideration. I look forward to continuing our dialogue on how the Treasury Department can best support small businesses.

Sincerely,

A handwritten signature in black ink that reads "Juanita D. Duggan". The signature is written in a cursive style with a long horizontal flourish at the end.

Juanita D. Duggan  
President and CEO  
NFIB