



AMERICANS *for* TAX REFORM

July 14, 2016

The Honorable Rod Blum
United States House of Representatives
213 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Blum:

I write in support of the Mandated Expenses Tax Relief Act of 2016, legislation to allow small businesses to immediately expense the purchase of property used to comply with federal laws and regulations.

Under current law, small businesses are allowed to expense up to \$500,000 in business purchases under section 179 of the tax code. However, some of these purchases may be forced through federal regulations, rather than investments in the business.

This legislation offers relief to business owners by modifying section 179 to allow assets used to comply with federal laws and regulations to be expensed in addition to the \$500,000 allowance.

In the perfect world, businesses of all kind would be permitted to immediately expense all assets against their taxable income. It makes no sense that a business can write off a box of paper clips immediately but has to wait five years to recover the full cost of purchasing a computer, or seven years to recover the full cost of purchasing a desk.

Unfortunately, that is the system we have. This outdated, complex, and bizarre system places far too much of a burden on small businesses and should be replaced with the much simpler immediate, full business expensing.

While full expensing is the desired goal, this bill moves us in the right direction. **By allowing small businesses to expense purchases associated with onerous government regulations, the Mandated Expenses Tax Relief Act grants important tax relief to millions of businesses across the country.** ATR encourages all Members of Congress to support and co-sponsor this important legislation.

Onward,

Grover G. Norquist
President, Americans for Tax Reform

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.ATR.org