

Testimony of Representative Ashley Hinson
Iowa's 2nd Congressional District
United States House of Representatives, Committee on Ways and Means
Member Day Hearing

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Chairman Smith, Ranking Member Neal, and Members of the committee, thank you for hosting today's hearing to highlight some of the most important tax issues facing America's working families and small business owners.

We are approaching a critical inflection point for our federal tax policy in 2025. The 2017 Tax Cuts and Jobs Act provided tremendous opportunities for Iowa small businesses to grow and for working families to thrive. In sectors like manufacturing, the TCJA spurred five million new jobs – one of the many resulting accomplishments of this legislation. Members of Congress and this committee have the chance to build on the success of these tax cuts to foster economic growth, especially in rural communities like those I am proud to represent in Iowa.

As foreign adversaries like China continue to invest in research and work to gain control of critical supply chains, it has never been more important for Congress to commit to pro-growth tax policy that secures American leadership on the global stage. To do so, reaffirming our support for American small businesses will be a vital step to ensure the United States remains the best place to do business globally.

Small businesses are the foundation of Iowa's economy, making up over 99% of Iowa businesses and employing almost half of our state's workforce. Permanently extending key provisions of the TCJA, including the Section 199A deduction will help small businesses continue to invest in their operations and employees. Additionally, Congress can continue to support research and development by domestic manufacturers by extending key policies like immediate expensing for research and development.

Congress should also maintain and expand policies that allow Americans to pass their operations on to the next generation. Preserving essential tax tools like stepped-up basis will ensure that Iowa farmers can keep their farms in the family. That is why I'm supportive of efforts like those led by Congressman Feenstra to permanently eliminate the death tax, which would help Iowans pass on their family farms and small businesses without an extreme tax burden from the federal government.

As a mom of two boys, I also know the importance of providing tax relief to working families. The Trump Tax Cuts significantly expanded the Child Tax Credit (CTC), providing necessary support to millions of American families. These tax cuts doubled the CTC, increased its refundability, and raised the income threshold, allowing more hardworking American families to benefit from the full credit. Building on these improvements, I introduced the Providing for Life Act to continue prioritizing the needs of families and ensure they have the resources to thrive. This comprehensive package supports families at every stage of life, including provisions for paid family leave, support for expecting parents and pregnancy centers, and an expanded Child Tax Credit (CTC) with increased refundability and extended eligibility.

By broadening access to these benefits, this legislation will help reduce financial pressure on rural working families, who often face unique challenges such as limited job opportunities, longer commutes, and higher costs for essential services.

Finally, I encourage the committee to double down on policies that support American energy dominance. Tax provisions that incentivize new investment in the production of liquid transportation fuels – like biofuels – will be a critical component of an energy strategy that bolsters our energy independence and lowers costs for consumers. This is especially important for my state, as the biofuels industry contributes over \$7 billion to our economy annually and supports nearly 57,000 jobs across the state.

I appreciate the committee's attention to potential improvements for tax incentives like 45Z Clean Fuel Production Credit and the 40B Sustainable Aviation Fuel Credit. Ensuring these credits are preserved and effectively implemented will support new opportunities for homegrown liquid transportation fuels and bring millions in private sector investments to states like Iowa. Congress should ensure that these credits are driven by the needs of producers, providing farmers with the flexibility that rewards them for their good practices while providing long-term certainty to make new investments.

I'd like to thank the Chairman and Members of the committee for providing the opportunity to testify today. By allowing Americans to keep more of their hard-earned money in their pockets, supporting American competitiveness on the global stage, and enacting policies that facilitate American energy dominance, Congress can promote economic growth and prosperity across the country.

Thank you, Mr. Chairman, and I yield back.