



United States House Committee on

Ways & Means
CHAIRMAN JASON SMITH

The Working Families Tax Cuts *Fuels America's Economic Growth*

Permanently Extends Key Trump Economic Tax Policies

- **Permanent 100% immediate expensing.**
 - *Before businesses could only use 40% expensing for 2025, 20% for 2026.*
- **Permanent immediate expensing for research & development (R&D) in the U.S.**
 - *Businesses previously allocated R&D expenses over 5 years instead of immediately. Following R&D expensing in the 2017 tax cuts, R&D investment grew by **18%**.*
- **Permanent deduction for interest expenses.**
 - *Medium-sized manufacturers cannot raise capital from equity markets and often must borrow.*
- **Permanent Small Business Deduction.**
 - *Makes permanent the 20% Small Business Deduction for **30 million** small businesses.*
- **Permanent key international tax reforms.**
 - *Stops scheduled increases to international tax provisions keeping U.S. companies competitive globally. Provisions helped bring **\$2.5 trillion** back to the U.S. from overseas after 2017, rewarded IP kept in America, and stopped corporate inversions.*

Incentivizes Made-In-America

- **Rewards new factories built in the U.S.A.**
 - *Enhances cost recovery for new manufacturing structures producing goods in America.*
 - *Boosts investment by up to 3.8% in facilities right here at home.*
- **Doubles Immediate Small Business Expensing.**
 - *Increases the more generous 179 Small Business Expensing to \$2.5 million, allowing small businesses to invest in their employees and grow.*
- **Renews successful Opportunity Zone (OZ) program.**
 - *Will deliver an additional \$100 billion of investment over the next decade while providing extra incentive to invest in rural Opportunity Zones.*
- **Reduces reporting burdens for small businesses and entrepreneurs.**
 - *Stops the Democrats' attack on the gig economy by repealing the ARPA 1099-K rule.*
 - *Reduces paperwork burden for small businesses and workers by increasing the 1099-MISC threshold to \$2,000.*



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Economic Benefit of Policies

- Raises **real wages by up to \$7,200** for every American worker.
- **Boosts manufacturing wages by \$126 billion** and ignites **\$284 billion** in additional manufacturing-based GDP growth.
- Delivers **4.9%** higher level of real GDP in first 4 years, **1.2%** higher average annual growth.
- Unlocks **\$1.5 trillion in additional small business GDP** growth and an estimated **1 million new small business jobs annually over the next decade**.
- Protects and creates over **7 million jobs**.
- 100% Immediate Expensing, Incentives for R&D, and 100% Expensing for Manufacturing Structures combined will **increase investment by 7%** and **annual wages by over \$1,600**.
- Immediate Expensing for R&D **accelerates over \$20 billion of investment**, and more than \$50 billion long-term.
- Expanding interest deductibility will deliver a **\$108 billion boost to GDP**.

Adds Nearly \$960 Billion on Average to GDP Each Year

