

September 13, 2021

The Honorable Sherrod Brown  
503 Hart Office Building  
Washington, DC 20510

The Honorable Rob Portman  
448 Russell Senate Office Building  
Washington, DC 20510

The Honorable Steve Chabot  
2408 Rayburn HOB  
Washington, DC 20515

The Honorable Brad Wenstrup  
2419 Rayburn HOB  
Washington, DC 20515

The Honorable Joyce Beatty  
2303 Rayburn HOB  
Washington, DC 20515

The Honorable Jim Jordan  
2056 Rayburn HOB  
Washington, DC 20515

The Honorable Bob Latta  
2476 Rayburn HOB  
Washington, DC 20515

The Honorable Bill Johnson  
2336 Rayburn HOB  
Washington, DC 20515

The Honorable Bob Gibbs  
2217 Rayburn HOB  
Washington, DC 20515

The Honorable Warren Davidson  
2113 Rayburn HOB  
Washington, DC 20515

The Honorable Marcy Kaptur  
2186 Rayburn HOB  
Washington, DC 20515

The Honorable Mike Turner  
2082 Rayburn HOB  
Washington, DC 20515

The Honorable Troy Balderson  
2429 Rayburn HOB  
Washington, DC 20515

The Honorable Tim Ryan  
1126 Longworth HOB  
Washington, DC 20515

The Honorable Dave Joyce  
2065 Rayburn HOB  
Washington, DC 20515

The Honorable Anthony Gonzalez  
2458 Rayburn HOB  
Washington, DC 20515

Dear Ohio Congressional Delegation Members,

As leaders of Ohio's business community, we write to you today to request your opposition to the massive corporate tax increase currently being discussed in Congress. Our groups oppose President Biden's proposal to eliminate the tax deduction for owners of pass-through businesses, a crucial deduction that helps small business owners reinvest in their businesses. In addition, we urge you to support the continued use of stepped-up basis. Proposals to impose additional capital gains at death and to repeal stepped-up basis would

be devastating to many family owned businesses looking to continue those businesses with the next generation.

As you know, one of the most significant provisions of the Tax Cuts and Jobs Act of 2017 was the lowering of the federal corporate income tax rate, which decreased from 35 percent to 21 percent. Prior to the landmark tax reform legislation, the U.S. corporate tax rate stood out among the highest rates worldwide. In fact, among countries in the Organization for Economic Co-operation and Development (OECD), the U.S. combined corporate tax rate was the highest. Overall, a lower corporate tax rate on Ohio's job creators means businesses have more capital on hand to reinvest in their company, workforce, and communities. For pass-through businesses, the creation of the Section 199A deduction contributed to record small business investment and optimism.

As Congress continues its deliberations on another federal stimulus package which will likely cost trillions of dollars, we ask that you refrain from raising revenue to pay for the package on the backs of America's business owners. The tax increases that have been discussed by Congress would be detrimental to the investments needed for continued growth in both Ohio and our nation. If rates were to rise, spending on innovation would be curtailed, and needed advancements in broadband, R&D and manufacturing capital would be stymied.

Many businesses in our state are still trying to recover revenues and jobs lost due to the COVID-19 pandemic. Now is the worst possible time to increase the corporate tax rate and eliminate a key deduction for small business owners. Governor Mike DeWine and Ohio's state legislative leaders understood the negative ramifications of a tax increase. That is why the recently passed biennial operating budget not only avoided tax increases but made an across-the-board tax cut for all Ohioans.

After a year of weathering a once-in-a-lifetime storm, neither individuals nor businesses should have to bear anymore of the burden of this pandemic in the form of tax increases. Therefore, we respectfully urge our Congressional Delegation to reject an increase in taxes on Ohio's businesses, and instead focus on proposals that would grow our economy and strengthen Ohio's workforce.

Sincerely,

Ohio Business Roundtable  
NFIB Ohio  
API Ohio  
Community Bankers Association of Ohio  
Ohio Chamber of Commerce  
Ohio Farm Bureau  
Ohio Beverage Association

Ohio Restaurant Association  
Ohio Trucking Association  
Ohio Home Builders Association  
Ohio Dental Association  
Ohio Soybean Association  
Ohio Corn and Wheat Growers Association  
Ohio Automobile Dealers Association  
Ohio Cattlemen's Association  
Ohio AgriBusiness Association  
Ohio Insurance Agents Association  
Ohio Aggregates & Industrial Minerals Association  
Ohio Hotel & Lodging Association  
Ohio Association of Medical Equipment Services  
Ohio Manufacturer's Association  
Ohio Contractors Association  
The Ohio Society of CPAs