



THE MAIN STREET TAX CERTAINTY ACT: PROVIDING SMALL BUSINESS PARITY

Building Financial Security For All

NAIFA | Since 1890

NAIFA members are dedicated financial professionals helping American individuals, families, and businesses build financial security and protect their dreams.

Support parity between pass-through businesses and C corporations.

Section 199A of the Internal Revenue Code provides a 20% deduction for qualified business income to foster greater parity between the tax rates levied on pass-through businesses (individual rates up to 37%) and C corporations (top rate of 21%), but it is currently scheduled to sunset at the end of 2025. The Main Street Tax Certainty Act (H.R. 4721/S. 1706), a bicameral bill, would make section 199A permanent. This would provide small business owners the long-term stability they need to plan, invest, and grow.

Individually- and family-owned businesses organized as pass-throughs are the backbone of the American economy. They employ the majority of private-sector workers and account for 95% of all businesses. They also form the economic and social fabric of countless communities nationwide.

Consider expanding the 199A deduction.

The 199A deduction is both complex and limited. Certain businesses, including financial services, consulting, accounting, and other service businesses, are excluded from taking the deduction.

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS

1000 Wilson Boulevard, Suite 1890, Arlington, VA 22209 | www.naifa.org | 877.866.2432

Last updated: July 2023



Treasury's final rule implementing the pass-through deduction reflects NAIFA's efforts to ensure insurance services are eligible. However, NAIFA members who provide insurance services but receive more than 10% of their revenue from investment advice and/or financial planning services may not be eligible.

Please support any proposals to expand the 199A deduction for financial planning firms. This tax relief would enhance the financial security of financial professionals and the Main Street families and small businesses we serve.



Support the Main Street Tax Certainty Act and any similar legislation which would make permanent Sec. 199A, the 20% qualified business income deduction.



Consider expanding the deduction **to include financial services income** as qualified business income.



Continue to support small business owners by providing long-term stability in the tax law **to power economic growth and meaningful employment.**

For more information, please contact:

Diane Boyle
Sr. Vice President
Government Relations
(703) 770-8252

Michael Hedge
Sr. Director
Government Relations
(703) 770-8158

Jayne Fitzgerald
Director
Government Relations
(703) 770-8155

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS

1000 Wilson Boulevard, Suite 1890, Arlington, VA 22209 | www.naifa.org | 877.866.2432