



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 10, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H. R. 636 – America’s Small Business Tax Relief Act of 2015

(Rep. Tiberi, R-Ohio, and 14 cosponsors)

The Administration supports making permanent expanded expensing for small businesses and offsetting the cost by closing tax loopholes as part of business tax reform that is revenue neutral over the long run. Enhanced small business expensing supports small businesses in making investments and creating jobs. The President's Budget would allow small businesses to immediately write off up to \$1 million in investments, while also proposing other measures to simplify and cut taxes for small businesses.

However, as with other similar proposals, the Administration strongly opposes House passage of H.R. 636, which would permanently extend and expand the current expensing provisions for small businesses, as well as two other current provisions that offer tax breaks for S-corporations, without offsetting the cost, adding to long-run deficits. By making permanent expanded expensing for small businesses and tax breaks for S-corporations without offsets, H.R. 636 would add \$79 billion to the deficit over the next ten years. House Republicans are making clear their priorities by rushing to make business tax cuts permanent without offsets when key tax credit improvements benefiting 16 million working families with children are scheduled to expire. They are also seeking to impose a double standard by adding to the deficit to continue and create tax breaks for businesses, after insisting on offsetting the cost of measures that help middle-class and working Americans, such as the extension of emergency unemployment benefits. If this same, unprecedented approach of making certain traditional tax extenders permanent without offsets were followed for the other traditional tax extenders, it would add \$500 billion or more to deficits over the next ten years, wiping out most of the deficit reduction achieved through the American Taxpayer Relief Act of 2013.

The Administration wants to work with the Congress to make progress on measures that strengthen the economy and help middle-class families, including pro-growth business tax reform. However, H.R. 636 represents the wrong approach.

If the President were presented with H.R. 636, his senior advisors would recommend that he veto the bill.

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