



Serving the Vending and Refreshment Services Industry

## Small Business Tax Relief

### ISSUE:

Each day, millions of American consumers rely on the refreshment services industry to purchase a broad range of food and beverage products. The industry is comprised of over ninety (90%) percent small business. Therefore, the impact of taxes on the small business community is very important to NAMA and its membership. Congress has passed legislation that would provide tax relief for small businesses and their customers. America's Small Business Tax Relief Act of 2015 (HR 636), introduced by Rep. Pat Tiberi (R-OH), would make permanent the provisions of Section 179 of the U.S Tax Code, making the 50% bonus depreciation temporary tax extender a part of permanent tax law. The bill has passed the House and is now awaiting action by the Senate.

Specifically, H.R. 636 would establish stability for small businesses in a way that will ultimately contribute to further business growth and expansion. For small business owners, the permanent adjustments made to Section 179 of the tax code will provide necessary predictability for employers by giving businesses the ability to immediately deduct the cost of new equipment and property.

Immediate cost deduction will provide companies with the ability to recover the cost of investing in their businesses more quickly than if they use depreciation over time, and will encourage owners to reinvest in their businesses when it comes to yearly tax planning and setting long-term financial goals. Further, as work continues towards comprehensive tax reform, businesses should not face short-term harm because of their reliance on provisions that, while temporary, have been extended repeatedly such that taxpayers have reasonably made long term business plans around an expectation of another extension.

Given that small businesses are a cornerstone of the American economy, H.R. 636's extension of expired and expiring provisions would foster more job creation as part of the effective business decisions and capital investment made by owners. At a time when an economic incentives remain essential to all businesses, H.R. 636 can help small businesses spark innovation and create new employment opportunities.

### NAMA POSITION:

- NAMA supports H.R. 636, as an important piece of legislation that will prove highly beneficial for small businesses and their customers across the country by making permanent the small business expensing outlined in Section 179 of the U.S. tax code.
- NAMA encourages quick action on other expired and expiring tax provisions as Congress continues to work towards comprehensive tax reform, and urges the Senate to adopt House passed H.R. 636 on behalf of America's small businesses.