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Innovation Coalition

In 2017, Congress repealed the immediate deduction of research and development (R&D) expenses effective for tax year 2022. Forcing businesses to deduct R&D expenses over several years creates cash-flow problems and substantially higher tax bills. This also disincentivizes investments in research and development and threatens America's standing as the global leader in innovation.

Tax professionals and small business owners understand how much this change is harming Americans including families in the food, agriculture, and manufacturing industries. That's why leading U.S. CPA firms and small business owners have formed the Main Street Innovation Coalition. This Coalition is urging Congress to promptly reinstate immediate research and development expensing.

Recently, Senator Maggie Hassan (D-NH) and Senator Todd Young (R-IN) introduced S.866, the American Innovation and Jobs Act, which would remove this crippling tax. This important legislation could languish in Congress unless we act.

THE STAKES ARE HIGH

R&D expensing is essential to small businesses and to the strength of the U.S. food, agriculture, and manufacturing industries. For decades businesses have been allowed to fully deduct their R&D expenses in the same year that they are incurred because the tax code appreciated the importance of research and development.

TIME IS URGENT

The American Innovation and Jobs Act must be enacted quickly. We need Congress to reverse this harmful tax change by September 15 when calendar year tax returns are due. If Congress fails to act, businesses may be forced to pay thousands or even millions of dollars in additional taxes.

JOIN THE COALITION

The next several months will determine the financial health of many U.S. businesses. We need your help. Ensuring the American Innovation and Jobs Act becomes law requires significant resources and a coalition of those who will be negatively impacted by current R&D expensing rules.

ACT NOW