



Local
Agents
Serving
Main Street
AmericaSM

March 19, 2019

The Honorable Jason Smith
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Henry Cuellar
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives Smith and Cuellar:

On behalf of the National Association of Professional Insurance Agents¹ (PIA National), thank you for introducing H.R. 216, the Main Street Tax Certainty Act, to make permanent the tax deduction for passthrough entities. PIA National strongly supports making this deduction permanent.

PIA National actively advocated for the passage of the tax bill signed into law at the end of 2017 (Public Law No. 115-97) because of its improved treatment of S corporations, also known as passthrough corporations. The legislation included a tax deduction in Section 199A for the owners of small businesses, reducing the potential tax burden on insurance agencies that organize as Subchapter S or “passthrough” corporations. Many PIA member agents own independent insurance businesses that are organized as sole proprietorships, partnerships, LLCs, or Subchapter S corporations.

Unfortunately, the passthrough deduction was not made permanent like it was for entities organized as C corporations. As a result, the benefit for PIA members who organize as passthroughs will end on December 31, 2025, depriving small business owners of certainty regarding their future tax liability and leaving them unable to rely on the ongoing benefit of this deduction. The Main Street Tax Certainty Act will resolve this issue for small business owners and ensure that they receive this tax relief permanently.

PIA National looks forward to continuing to work with you on this matter. If we can be of any additional assistance, please contact Jon Gentile, PIA National vice president of government relations, at jonge@pianet.org.

Sincerely,

Mike Becker
Executive Vice President and CEO
PIA National

¹ PIA National represents independent insurance agents in all 50 states, Puerto Rico, and the District of Columbia.