



Parity for Main Street Employers

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PMSE Statement in Support of Final Bipartisan COVID-19 Relief Package

Today the Parity for Main Street Employers Coalition of national groups representing millions of individually and family owned businesses announced its strong support for the Main Street Tax Certainty Act of 2021, which would make permanent the Section 199A 20-percent deduction for qualified business income.

“We thank Representatives Smith and Cuellar, and Senators Daines, Cassidy, Scott (SC), and Portman for their bipartisan leadership on this important legislation to ensure permanent tax parity for individually and family owned businesses,” stated PMSE Executive Director Chris Smith. “Making Section 199A permanent would provide much-needed certainty so Main Street employers can move forward with confidence after being so hard hit by COVID-19 closures. The sooner Congress acts to make Section 199A permanent, the sooner Main Street communities will recover.”

The section 199A deduction is an essential feature of the tax code to ensure tax parity between millions of individually and family owned businesses and C corporations. These employers--organized as S corporations, partnerships and sole proprietorships--are the backbone of the American economy, employing the majority of private-sector workers and representing 95 percent of all businesses. Despite the economic importance of the pass-through sector for jobs and growth, Section 199A is scheduled to sunset at the end of 2025, resulting in a draconian tax increase on the country’s most significant source of employment.

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