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## **Big 'I' Praises Reintroduction of Main Street Tax Certainty Act**

*Legislation to make small business deduction permanent reintroduced in House and Senate.*

WASHINGTON, DC, February 26, 2021— The Independent Insurance Agents & Brokers of America (the Big “I”) is grateful for the reintroduction of the “Main Street Tax Certainty Act” in the U.S. House of Representatives by Reps. Jason Smith (R-Missouri) and Henry Cuellar (D-Texas) and in the U.S. Senate by Sen. Steve Daines (R-Montana). The legislation would make permanent a 20% deduction on qualified business income for some owners and shareholders of pass-through businesses.

“The Big 'I' thanks Reps. Smith and Cuellar and Sen. Daines for their work to reintroduce the Main Street Tax Certainty Act,” says Charles Symington, Big “I” senior vice president of external, industry and government affairs. “More than two-thirds of the insurance agencies and brokerages the Big ‘I’ represents are organized as pass-through entities and are currently seeing significant benefits from this deduction. These agencies and brokerages employ millions of people across the U.S. and occupy numerous retail locations in every state. This crucial deduction has allowed insurance agency and brokerage owners to reinvest and grow their businesses, hire new employees and better serve their customers.”

A provision of the 2017 Tax Cuts and Jobs Act added a section to the individual tax code (26 U.S.C. §199A) that created the 20% deduction on “qualified business income” for some owners and shareholders of pass-through businesses, such as subchapter S corporations, partnerships and sole proprietorships. On Jan. 18, 2019, the IRS issued final regulations implementing Section 199A of the tax code, ensuring that a greater number of owners and shareholders of insurance agencies and brokerages organized as pass-through entities are eligible for the new deduction.

However, unlike the C corporation rate reduction in the 2017 tax reform law, the 20% deduction for small businesses was not made permanent. Currently, the deduction is only available through the end of 2025. For the deduction to be available in 2026, Congress must extend Section 199A of the tax code for an additional amount of time or make the deduction permanent.

“Making the small business deduction permanent is crucial to enabling Main Street insurance agencies and brokerages across the country to compete with their C corporation counterparts,” says Wyatt Stewart, Big “I” assistant vice president of federal government affairs. “A permanent small business tax deduction will allow insurance agencies and brokerages to continue to compete with larger employers of all industries for the best talent. To avoid an unlevel playing field in the future, this inequity must be rectified by making the 20% deduction for small businesses permanent.”

*Founded in 1896, the [Independent Insurance Agents & Brokers of America](http://www.independentagent.com) (the Big “I”) is the nation’s oldest and largest national association of independent insurance agents and brokers, representing more than 25,000 agency locations united under the Trusted Choice® brand. Trusted Choice independent agents offer consumers all types of insurance—property, casualty, life, health, employee benefit plans and retirement products—from a variety of insurance companies.*