

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

**MEMORANDUM**

**TO:** Members of the Committee on Small Business

**FROM:** Committee Majority Staff

**DATE:** April 10, 2026

**RE:** Full Committee Hearing Titled: “Lower Taxes, Stronger Main Street: The Benefits of the Working Families Tax Cuts”

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On **Wednesday, April 15, 2026, at 10:30 AM ET**, the House Committee on Small Business will hold a hearing titled “**Lower Taxes, Stronger Main Street: The Benefits of the Working Families Tax Cuts.**” The meeting will convene in Room 2360 of the Rayburn House Office Building. The purpose of this hearing is to highlight the benefits of the Working Families Tax Cuts Act and analyze how specific provisions champion small business growth and expansion.

**I. Witnesses**

- **Mr. Garrett Watson**, Director of Policy Analysis, Tax Foundation
- **Ms. Traci Tapani**, Co-President and Owner, Wyoming Machine, Inc.
- **Ms. Becky Renfro Borbolla**, Senior Vice President, Renfro Foods, Inc.
- **Mr. Michael Negron**, Senior Fellow for Economic Opportunity, Center for American Progress

**II. Background**

The Working Families Tax Cuts Act (WFTC), which President Trump signed into law on July 4, 2025, makes key small business and individual tax provisions permanent while expanding pro-growth incentives.<sup>1</sup> For example, the WFTC makes permanent and increases the Section 199A pass-through deduction and restores the 100 percent bonus depreciation. It also raises the Section 179 expensing limit to \$2.5 million, with a higher phase-out threshold. The WFTC preserves immediate expensing for domestic research and development, renews Opportunity Zone incentives, enhances interest deductibility, and increases the estate tax exemption to protect family-owned small businesses.<sup>2</sup> Together, these provisions simplify tax planning, increase take-

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<sup>1</sup> Pub. L. No. 119-21, 139 Stat. 72 (2025).

<sup>2</sup> *Id.*; *The Most Pro-Main Street Bill in History*, THE WHITE HOUSE, <https://www.whitehouse.gov/priorities/small-business/> (last visited April 9, 2026).

home pay, and provide long-term certainty for small businesses and working families across the country.

The WFTC provides a critical foundation of predictability and stability that small businesses can depend on and use directly to shape strategic decision-making.<sup>3</sup> By establishing clear, consistent tax treatment over time, these provisions reduce uncertainty that can otherwise impede investment decisions, expansion, or even delay hiring.<sup>4</sup> Small businesses are now better positioned to commit to long-term investments in research and development, rather than postponing or foregoing innovation due to uncertainty.<sup>5</sup> A consistent tax environment enables strategic planning without the risk of a disruptive shift in tax liabilities.<sup>6</sup> Predictable tax policy not only reduces hesitation but also actively enables forward-looking decisions that strengthen small businesses and the broader economy.<sup>7</sup>

Many small businesses benefit from the tax relief offered by provisions of the WFTC, including a direct improvement to cash flow.<sup>8</sup> As a result, small business owners can reinvest in operations, pursue research and development, and expand or diversify their operations.<sup>9</sup> At the same time, working families experience greater take-home income, which boosts consumer spending.<sup>10</sup> This boost in consumer spending will flow back into small businesses, effectively raising demand for goods and services produced by American small businesses.<sup>11</sup> By lowering barriers to investment and encouraging innovation, the WFTC helps level the playing field and supports a more resilient, dynamic U.S. economy driven by domestic growth.

### III. Conclusion

The WFTC provides several direct tax benefits to small businesses. Amid global and market uncertainty, small businesses can find stability in the WFTC. The hearing will provide Members with the opportunity to hear about the positive impact the WFTC has on small businesses, highlighting how specific provisions encourage growth and expansion.

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<sup>3</sup> Ashley Wilson, *Permanent Tax Relief: For small businesses, middle-class families and workers*, NAT'L RETAIL FEDERATION (Feb. 11, 2026).

<sup>4</sup> *Id.*

<sup>5</sup> Scott Lincicome, *The Three Best-and Worst-Things in Trump's Big Tax Law*, CATO INSTIT. (Jul. 23, 2025).

<sup>6</sup> Karen Kerrigan, *Protection for Family-Owned Businesses and Farms Thanks to the "Working Families Tax Cuts Act"*, SMALL BUS. & ENTREPRENEURSHIP COUNCIL (Mar. 14, 2016).

<sup>7</sup> Preston Brashers, *How Trump's "Big Beautiful Bill" Ends Decades of Temporary Tax Policy Games in Washington*, THE HERITAGE FOUND. (Jul. 24, 2025).

<sup>8</sup> William McBride, *Will the OBBBA Tax Cuts Grow the US Economy?* TAX FOUND. (Jan. 21, 2026).

<sup>9</sup> E. Mark Curtis, *et al.*, *Capital Investment and Labor Demand*, NAT'L BUREAU OF ECON. RESEARCH (Feb. 2022).

<sup>10</sup> Ashley Wilson, *How the Working Families Tax Cut is strengthening families – and the retail economy*, NAT'L RETAIL FEDERATION (Feb. 17, 2026).

<sup>11</sup> *CBO's Current View of the Economy From 2026 to 2028*, CONG. BUDGET OFFICE (Jan. 2026).