

TESTIMONY BEFORE THE UNITED STATES CONGRESS
ON BEHALF OF THE

NATIONAL FEDERATION OF INDEPENDENT BUSINESS



Statement for the Record of Lana K. Pol
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United States House of Representatives
Committee on Ways and Means

*"The Success of Pro-Growth, Pro-Worker Tax Policy
in the American Midwest"*

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Good morning, Chairman Smith, Ranking Member Neal, and Members of the House Committee on Ways and Means. My name is Lana Pol and I own a number of small businesses here in Iowa. My businesses are Geetings, Inc., a local and regional trucking company; G.I. Warehouse Corporation, which specializes in commercial warehousing and logistics; Creative Inspirations, an embroidery, promotional, and customer fulfillment company; Mowbility Sales and Services, an outdoor power equipment, trailer, and small tractor dealer; and Odyssey Spas, which sells hot tubs and provides services for pools and spas. I thank you for this opportunity to discuss how tax policy impacts small businesses, like mine, here in the Midwest.

Entrepreneurship runs deep in my family. My father, Delroy "Wayne" Geetings founded Geetings, Inc. in 1972 in Pella, Iowa. Three years later, he expanded his operations to nearby Knoxville with G.I. Warehouse Corporation. I joined his companies in 1975 and worked for many years with my family running these businesses. With the retirement of my brothers a few years ago, today I fully own these businesses and operate them with my children. My children share our family's passion for entrepreneurship, and I own and operate Mowbility Sales and Services, Odyssey Spa, and Creative Inspirations with them. It is my hope that each of these businesses will pass on to future generations in our family.

While each of my businesses has their own purposes and their own unique challenges, they have all directly benefitted from the policies in the 2017 *Tax Cuts and Jobs Act* (TCJA) aimed at growing small businesses, and they would each face challenges should those provisions expire. Today, I would particularly like to focus on three tax provisions that are critical to our operations: the Small Business Deduction (199A) created under TCJA, the expansion of Bonus Depreciation and Small Business Expensing in TCJA, and the Estate Tax.

Each of my businesses operate as a "pass-throughs," that is the business earnings flow through to my individual tax return. Like other pass-through companies, the Small Business Deduction (Section 199A) created in TCJA has provided multiple opportunities for me to reinvest and grow my businesses.

Because of this deduction, I was able to give my employees the largest compensation increase that we have been able to provide in years. Which, in turn, has helped our efforts to retain employees, something that has not always been easy recently. Additionally, we were able to invest \$2 million to build a nearly 40,000 square foot expansion of G.I. Warehouse Corporation and expand our fleet of trucks at Geetings.

Our businesses have also benefited from the expansion of the expensing provisions in TCJA. Under TCJA, full expensing for new equipment could be recognized in the year of purchase, instead of having to amortize costs over additional tax years through depreciation. This change allowed us to consistently add trucks and trailers to our fleet at Geetings, Inc. In fact, in the first year of this expansion, we were able to purchase and immediately expense six new semi-trucks and, until recently, we have been able to continue this expansion.

However, recently we have had to implement a freeze on purchasing any new equipment. This is due to the uncertainty of tax provisions at the end of 2025 and because of the increased cost of equipment. In fact, in 2018, we purchased trucks for \$158,000 each. In 2022, the trucks cost \$251,000 each. If these TCJA provisions were allowed to fully expire or otherwise be limited, it will create another hurdle to expanding our fleet in the future.

Finally, like many family-owned businesses, the impact of the estate tax on a small business has become more real to me recently. My husband unexpectedly passed away earlier this year. At the time of his passing, we were working on our estate planning, including succession planning for our family businesses. Each of my businesses is rooted in family operations. My hope for all of them is that they are not only passed on to my children, but their children as well. While I agree with others that this tax should be eliminated entirely, if Congress does not at least act to preserve the expanded exemption of the estate tax under TCJA, it will be increasingly harder to pass family-owned businesses from generation to generation.

If nothing else today, I want to stress to the Committee that protecting small business is good for America. Small businesses are the *foundation* of the American economy.

Without action, 30 million small businesses in the United States will be faced with a massive tax hike, which will hurt their ability to create jobs and give back to their communities. I urge Congress to act swiftly to provide small businesses with the certainty that they need to make these provisions permanent.

Thank you for the opportunity to testify today. I look forward to answering any questions.