

**House Ways and Means Committee**

Member Day Hearing-1

January 22<sup>nd</sup> | 10:00 AM

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Chairman Smith and members of the Ways and Means Committee, thank you for this opportunity to testify. It is an honor to address the first committee of the United States Congress.

The Tax Cuts and Jobs Act (TCJA), signed into law by President Trump in 2017, fueled historic economic growth, raised wages, boosted real median household income, and surpassed GDP expectations. However, many of its pro-growth policies will expire in 2025 – risking a significant tax increase for hardworking American families and small businesses across the country. We must deliver on our promises to the American people by extending these tax cuts.

But before I talk about the Tax Cuts and Jobs Act, I would like to highlight concerns about the taxation of a fundamental constitutional right – the right to keep and bear arms. The Bill of Rights was intended to enumerate rights to which the government cannot infringe. Unquestionably, infringement exists when the government taxes those rights in order to limit the people's ability to exercise them.

Currently there is an excise tax or transfer tax imposed on every firearm under the purview of the National Firearms Act of 1934. The only exclusions are purchases by the Department of Defense, Federal Reserve or State and local law enforcement. So it is primarily the Citizens who are taxed. This tax infringes on Americans' Second Amendment liberties by creating a massive financial barrier to every purchase and risks placing this constitutional right out of reach for many law abiding, hard working Americans. It also sets a dangerous precedent for using taxation to limit access to other rights.

In 1819, Chief Justice John Marshall stated “The power to tax includes the power to destroy”, and he was totally correct. The Heller Decision in 2008 declared that the Second Amendment "protects an individual right to keep and bear arms", and that the "right existed prior to the formation of the new government under the Constitution". Therefore it was a natural right, an unalienable right. If you can legally tax an unalienable natural right just a little bit then you can legally tax it a lot, and eventually tax it out of existence and destroy it for the everyday citizen, just as Chief Justice John Marshall stated in 1819. Therefore, I strongly advocate for eliminating the federal excise tax and transfer tax on these NFA firearms.

I want to also caution Congress about the deficit impacts of any reconciliation package. Under President Biden, the national debt soared to over \$36 trillion—more than \$100,000 per person, \$250,000 per household. Every dollar of deficit spending is a tax on our country's future. I am committed to working with this

committee and House Republican leadership to deliver on the promise of cutting \$2.5 trillion in spending, ensuring fiscal responsibility in a bill that reduces tax revenues in the short term.

As a small business owner myself, I have seen first-hand the positive impacts that the TCJA had on boosting small businesses across the country. One provision in particular set to expire is the Section 199A 20% pass-through business deduction of Qualified Business Income. If this deduction expires, 9 out of 10 small businesses could face significant tax hikes, with effective tax rates rising to 43.4%.

I urge Congress to make the 199A pass-through deduction permanent in this year's budget reconciliation process to provide certainty, boost small business investment, and ensure Main Street thrives.

Another key pro-growth policy is 100% accelerated depreciation for short-lived assets and R&D, also known as full expensing, which is set to fully expire by 2026. Full expensing allows businesses to immediately deduct capital equipment and R&D costs, reducing capital expenses, boosting productivity, driving innovation, and attracting investment. Like the 199A deduction, I advocate for making full expensing permanent to provide businesses the certainty needed for long-term investment.

These two pro-growth policies, along with other TCJA provisions, helped drive a strong economy during President Trump's first term. I look forward to working with the new Trump Administration, this committee, and my colleagues to deliver an affordable economy for all Americans. Thank you again for the opportunity to testify before you today, and I would be happy to answer any questions the committee may have. I yield back.