

Thank you, Mr. Chairman. I appreciate the opportunity the Ways and Means Committee has extended to non-Committee Members to speak to the priorities of my constituents in Wisconsin's 8<sup>th</sup> District.

Northeast Wisconsin is home to over half a million taxpayers and a wide variety of small businesses who have faced economic uncertainty and an overreaching and overtaxing federal government. From manufacturing and shipping to agriculture and food processing, Wisconsin's 8<sup>th</sup> Congressional District boasts a very diverse set of industries and small businesses. In fact, our district is the largest dairy producing district east of the Mississippi.

For nearly thirty years, I owned and built a small business called Dino Stop. Our convenience stores, gas stations, car washes and Little Caesar's pizza franchises employed hundreds of Wisconsinites over the years. I know from firsthand experience how difficult it is to operate and grow a successful small business in a very competitive industry, especially while dealing with burdensome government regulation and unpredictable tax policies. Dino Stop regularly had high revenues due to fuel sales but low profit margins owing to stiff market competition and high operating costs.

The Section 199A tax deduction, created and signed into law as part of the 2017 Trump Tax Cuts, greatly benefits our small businesses, farmers, and manufacturers.

Nearly three quarters of people claiming the 199A deduction in 2022 had an adjusted gross income below \$200,000. Simply put, this tax cut is for Main Street, not Wall Street. The deduction is also designed to ensure small businesses are investing in employee wages and benefits – a vital part of recruiting and retaining a talented workforce. I think we can all agree that putting more money in the pockets of working families is a top priority for this Congress and the Trump Administration.

Section 199A ensures agricultural cooperatives are taxed on an equal playing field with larger corporations. The Trump Tax Cuts of 2017 reduced the corporate tax rate from 35% to 21% while also including Section 199A to reduce the tax burden on sole proprietorships, partnerships, S corporations and LLCs. This tax cut allows dairy producers in Northeast Wisconsin to offset tax liabilities and invest their deductions in their facilities and operations.

Finally, as I travel across Northeast Wisconsin, I also hear the need for tax certainty and the importance of extending the Trump Tax Cuts. The average taxpayer in our district will see a 23% tax hike if they expire. It is my hope that we can work together toward a permanent and consistent tax policy that benefits every hardworking taxpayer in my district.

Mr. Chairman, I strongly support making the 199A tax deduction permanent to provide much needed relief to the small businesses, working families and farmers in my district and across the country. Should Congress fail to renew 199A, 52,230 small businesses in Wisconsin's 8<sup>th</sup> District would be hit with an unconscionable 43.4% tax rate. Any limitation or reduction in 199A would unfairly target and hurt middle class taxpayers and the small businesses who are the lifeblood of our economy.

Thank you again for the opportunity to testify today, and I yield back.