

Andy Howlett Quoted on Proposed Legislation to Expand Pass-Through Tax Deductions in InvestmentNews

"Senate Bill Would Expand Pass-through Tax Deduction to Advisers"

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Tax Member Andy Howlett was quoted on legislation introduced on July 20, by Senator Ron Wyden (D-OR), chairman of the Senate Finance Committee, that would make brokerages and investment advisory firms eligible for a small-business tax break established by the 2017 tax reform law. However, the bill also would limit the benefit to people earning less than \$400,000. The Small Business Tax Fairness Act has been written, in part to expand the number of businesses set up as so-called pass-throughs — such as partnerships and sole proprietorships — that qualify for a 20 percent tax deduction. "That's the carrot," Howlett said in reference to allowing all small businesses to qualify. "The stick is we're going to put in this phase out beginning at \$400,000. If you own a financial services firm and make \$375,000 a year, you'd look at this and say that's pretty good."