



May 13, 2025

The Honorable Jason Smith
Chairman
U.S. House Committee on Ways & Means
1139 Longworth HOB
Washington, D.C. 20515

Dear Chairman Smith:

The National Association of Convenience Stores (NACS) is in strong support of the tax Reconciliation Legislation the House Ways and Means Committee is scheduled to mark up today. This legislation extends, and in many cases improves upon, the historic 2017 tax law which helped businesses of all sizes grow and create jobs.

The National Association of Convenience Stores is an international trade association representing an industry of about 153,000 stores in the domestic market. With just over 60% of those stores being single store operators, it is an industry of predominantly small businesses. The industry employs nearly 2.75 million Americans and had industry sales of about \$837 billion in 2024. While our industry is predominantly small businesses, we have companies ranging from small pass-through entities to large multinational corporations.

NACS is particularly supportive of the expansion of the 199A Qualified Business Income Deduction included in the legislation. The increase to a deduction of 23% of QBI included in the legislation will bring pass-through entities close to true tax parity with their corporate competitors. A tax code that treats competitors fairly regardless of their organizational structure is good policy. The combination of fairness in tax treatment through the 199A provision and the increase in the "death tax" threshold in the legislation makes this bill an important boost to family businesses throughout the nation allowing them to grow now and into the future without the distress sales that can be forced during generational changes for these businesses.

Our industry also strongly supports the provisions that return 100% expensing through 2029 and the increased thresholds under section 179 expensing. While we would like to see 100% expensing made permanent, returning to 100% depreciation through 2029 will help spur investment and economic growth. We also commend the return of depreciation and amortization to the adjustable taxable income calculation for the business interest deduction.

The bill could benefit from inclusion of the legislation sponsored by Reps. Carey and Miller-Meeks to extend the expired 40A biodiesel blenders tax credit. This extension is essential as a way to help the industry bridge the gap created while waiting for the newly created 45Z credit to become workable. The expiration of 40A has already caused significant complications in the biodiesel marketplace with roughly half of US production currently halted. A temporary return to 40A while 45Z is properly implemented will help alleviate the existing market disruptions and mitigate increases in diesel fuel prices which risk driving up the prices of all products in the marketplace.

In all, the legislation creates sound policy that will help boost the economy and, in particular, small and family businesses that are most in need of assistance. NACS fully supports the tax legislation before the Committee today and thanks the committee and the staff for all of their hard work over the past few months in developing this product.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Taets', with a stylized flourish at the end.

Jon Taets
Director, Government Relations
NACS

CC: Members & staff of the House Ways & Means Committee