



November 29, 2011

The Honorable Marco Rubio  
United States Senate  
Washington DC, 20510

Rep. Richard Hanna  
United States House of Representatives  
Washington DC, 20515

The Honorable Chris Coons  
United States Senate  
Washington DC, 20510

Rep. William Keating  
United States House of Representatives  
Washington DC, 20515

Dear Sens. Rubio and Coons and Reps. Hanna and Keating:

I am writing to express the support of the National Small Business Association for the AGREE Act (S. 1866) introduced by you and Sen. Coons on November 15, 2011. This legislation would make significant steps toward reducing the cost of capital for small businesses. Two of the provisions are of particular importance to our members.

Section 179 allows a small business to deduct up front rather than depreciate the cost of equipment such as computers, vehicles, machines used in manufacturing, office furniture and the like. It substantially reduces the tax bias against investment by small firms. Section 179 expensing is of vital importance for smaller firms, particularly those in more capital intensive industries. By extending section 179's current \$500,000 limit through 2014, your legislation would have a dramatic positive impact on the ability of small firms to make the investments needed for job creation, productivity growth and profitability. In the absence of legislation, the limit falls to \$125,000 in 2012. Thereafter, unless Congress acts, the amount deductible will fall to \$25,000. This latter limitation would dramatically limit the number of firms that can appreciably benefit and dramatically reduce the positive economic effect of the provision. Retaining the current \$500,000 threshold is of vital importance to the economy and to small businesses.

Exempting new issuers with revenues under \$250 million from the application of section 404(b) of the Sarbanes-Oxley Act of 2002 for five years is a very positive step. These internal control reporting and assessment requirements are extremely burdensome and of extremely limited utility in small capitalization companies.

Thank you for working on these important small business issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken", with a long horizontal line extending to the right.

Todd McCracken