June 6, 2025

The Honorable Mike Crapo, Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden, Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Wyden:

Representing the American Institute of CPAs (AICPA) and state CPA societies in 53 states and jurisdictions, we write to you today to urge you to retain the ability for all pass-through entities to deduct state and local taxes at the entity level. The House-passed *One Big Beautiful Bill Act* eliminates this deduction for specified service trades or businesses (SSTBs), which includes accountants, doctors, nurses, pharmacists and other professionals. This will result in a tax increase for accountants throughout the country.

The pass-through entity tax (PTET) deduction of state and local taxes has mostly provided for parity between corporations and pass-throughs. The House bill targets professionals simply based upon their chosen occupation. We believe that this is discriminatory and unfair. At a time in which tax reform is focused on job creation and economic growth, this will have the opposite impact. In fact, an analysis by the Tax Foundation shows that the House bill language eliminating the deduction for SSTBs will reduce GDP by 0.2 percent.

If this provision is signed into law, CPAs across the country will be worse off than they were with the passage of the Tax Cuts and Jobs Act in 2017. The House-passed *One Big Beautiful Bill Act* does not provide simplicity nor fairness to millions of pass-through businesses that are job creators in our local towns and cities. As you consider tax reform in the Senate, we urge you to retain the current ability for pass-throughs to deduct entity-level state and local taxes.

Sincerely,

American Institute of CPAs
Alabama Society of CPAs
Alaska Society of CPAs
Arizona Society of CPAs
Arkansas Society of CPAs
California Society of CPAs
Colorado Society of CPAs
Connecticut Society of CPAs
Greater Washington Society of CPAs
Florida Institute of CPAs
The Georgia Society of CPAs
Guam Society of CPAs
Hawaii Society of CPAs
Idaho Society of CPAs
Illinois CPA Society
Indiana CPA Society
Iowa Society of CPAs
Kansas Society of CPAs
Kentucky Society of CPAs
Society of Louisiana CPAs
Maine Society of CPAs
Maryland Association of CPAs
Massachusetts Society of CPAs
Michigan Association of CPAs
Minnesota Society of CPAs
Mississippi Society of CPAs
Missouri Society of CPAs
Montana Society of CPAs
Nebraska Society of CPAs
Nevada Society of CPAs
New Hampshire Society of CPAs
New Jersey Society of CPAs
New Mexico Society of CPAs
New York State Society of CPAs
North Carolina Association of CPAs
North Dakota CPA Society
The Ohio Society of CPAs
Oklahoma Society of CPAs
Oregon Society of CPAs
Pennsylvania Institute of CPAs
Puerto Rico Society of CPAs
Rhode Island Society of CPAs
South Carolina Association of CPAs
South Dakota CPA Society
Tennessee Society of CPAs
Texas Society of CPAs
Utah Association of CPAs
Vermont Society of CPAs
Virgin Islands Society of CPAs
Virginia Society of CPAs
Washington Society of CPAs
West Virginia Society of CPAs
Wisconsin Institute of CPAs
Wyoming Society of CPAs