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Statement by David A. Raymond, President/CEO, American Council of Engineering Companies (ACEC) On Both House and Senate Tax Plans

Tax Plans Shortchange Small and Medium-Sized Businesses

Tax reform legislation about to be approved by the full House and the Senate Finance Committee will leave many of the nation's small and mid-sized engineering firms out in the cold, and for some, saddled with more of a tax burden, not less.

- The problem is that a clear majority of America's engineering firms are passthrough businesses, and these bills will not help them grow their businesses. We support the reducing the tax burden for C corporations—from 35 percent to 20 percent—but also want fairness for small businesses.
- What's worse, the bills eliminate current provisions in the code designed to help engineering firms and others develop the nation's infrastructure. Taken together, many passthrough engineering firms will pay more taxes under these tax bills than under current law.
- Both Senate and House plans substantially increase the tax burden on small firms—including engineering firms that employ hundreds of thousands of engineers, scientists and other STEM professionals.

There is no logical public policy justification for establishing a tax code that favors corporations over smaller firms, or one that creates arbitrary winners and losers among similarly organized passthrough firms. True tax reform should treat firms of all sizes and tax structures equally.

The American Council of Engineering Companies (ACEC) is the business association of America's engineering industry, representing more than 5,000 independent engineering firms and more than 600,000 professionals throughout the United States engaged in the development of America's transportation, water and energy infrastructure, as well as environmental, industrial and other public and private facilities. Founded in 1906 and headquartered in Washington, D.C., ACEC is a national federation of 52 state and regional organizations.