



Statement from the Small Software Business Alliance (SSBA) on the reintroduction of the House version of the American Innovation and R&D Competitiveness Act of 2025

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Washington, D.C. – Today, Representatives Estes and Larsen—with broad support from their colleagues—reintroduced the American Innovation and R&D Competitiveness Act of 2025. Since 1954, the Internal Revenue Code (IRC) section 174 R&D provisions have enabled companies and entrepreneurs that conduct research and development (R&D) to deduct these expenses in the year they were incurred. Due to a budgetary adjustment as part of the 2017 Tax Cuts and Jobs Act (TCJA), this provision lapsed as of 2022. The reintroduction of the bill, allowing businesses to utilize Section 174 benefits to deduct full-expense R&D spending without amortization requirements, is a critical step towards reinvigorating domestic capital investments and strengthening our American workforce.

Alexandra Cooke, executive director of SSBA, a coalition of small business owners fighting tax policy that threatens innovation, released the following statement:

“SSBA applauds Congress for taking a pivotal step toward revitalizing the R&D tax deduction with the reintroduction of the American Innovation and R&D Competitiveness Act of 2025.

“Enactment of this vital legislation will restore SSBA members’ ability to fully reinvest in their businesses, expand operations, and create new job opportunities. It is imperative that Congress pass this critical piece of legislation and champion a comprehensive tax incentive framework that empowers small businesses nationwide to remain competitive. Small businesses are the backbone of our economy and providing them with essential resources to thrive is vital for sustained economic growth.

“We call on Congress to swiftly pass this transformative legislation during the 119th Congress, delivering long-overdue relief to the entrepreneurs and small and medium-sized businesses that make up SSBA’s membership.”

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About SSBA

The Small Software Business Alliance represents small and medium technology companies, independent developers, and other small business owners in advocating for tax policies that enable American small businesses to compete and win on the global stage. The SSBA calls on policymakers to permanently restore the full expensing of research and development (R&D) investments critical to the long-term success of small technology companies.