



American Entrepreneurs and Small Business Owners Support the Immediate Expensing of R&D Investment

May 12, 2025

The Honorable Mike Johnson
Speaker of the House
Washington, District of Columbia 20510

The Honorable John Thune
Majority Senate Leader
Washington, District of Columbia 20510

The Honorable Hakeem Jeffries
House Minority Leader
Washington, District of Columbia 20510

The Honorable Chuck Schumer
Senate Minority Leader
Washington, District of Columbia 20510

RE: American Entrepreneurs and Small Business Owners Support the Immediate Expensing of R&D Investment

Dear Speaker Johnson, Majority Leader Thune, Minority Leader Jeffries, and Minority Leader Schumer,

As small business owners and entrepreneurs fueling America's innovation economy, we—the undersigned companies—write to urge the immediate passage of the American Innovation and R&D Competitiveness Act of 2025 (H.R. 1990) and the American Innovation and Jobs Act (S.1639). Restoring immediate full expensing of research and development (R&D) investments is critical to our ability to grow, innovate, and create jobs here in the United States.

Since 1954, U.S. businesses have relied on the immediate deductibility of R&D expenses under Section 174 of the Internal Revenue Code. However, beginning in 2022, the budgetary changes introduced by the 2017 Tax Cuts and Jobs Act (TCJA) require businesses to amortize these expenses over five years. The shift has done short-term damage by significantly reducing cash flow at a time when access to capital is already limited and forcing many small business owners to seek loans to cover their increased tax

bills and to try and keep their businesses afloat. The long-term effects have also been profound, forcing many of us to make difficult decisions, delaying innovation, limiting hiring, and threatening our competitiveness in the global market. Many newer, smaller companies simply lack the cash flow to amortize hundreds of thousands of dollars in R&D expenses over five years. Early-stage, high-growth software firms—often not yet profitable—are hit the hardest. The shift to five-year amortization deepens near-term losses, making attracting investors and securing financing even harder.

Small businesses are the backbone of U.S. tech innovation, and pro-business tax policies like tax deductions are critical to helping us stay competitive and adaptable in an ever-changing ecosystem. Meanwhile, international competitors—particularly China—are expanding R&D tax incentives.

If Congress does not act swiftly, the United States risks falling further behind. Restoring full expensing for R&D would allow small businesses like ours to reinvest in new products, expand operations, and drive economic growth and job creation.

This isn't just about tax policy—it's an innovation crisis. Small businesses are at a critical crossroads: risk falling behind or seize the opportunity to grow and lead. We urge Congress to **swiftly pass the American Innovation and R&D Competitiveness Act of 2025 and the American Innovation and Jobs Act**, and champion policies that empower small businesses, not hold them back.

Thank you for your leadership.

Signed,

Small Software Business Alliance	DC
365.Training	CO
5or7 Software, LLC	NH
Abington Speech Pathology Services	PA
ADSAT Therapeutics, LLC	FL
Agilevent Corporation	NJ
AlphaThera, Inc.	PA
Amphix Bio	IL
ARiA	VA
AttractWell Studios LLC	ND
BBC Entrepreneurial Training & Consulting	MI
BeamReaders Inc	WA
BoldVoice	NY
Cadet Affect	CO
Celdara Medical	NH

CHADIS, Inc.	MD
Clear Blue Design	LA
Colorado Technology Consultants	CO
completionAI	MA
Compound Eye	CA
Concrete, LLC	WA
Copeland Engineering, LLC	TX
Cosmusic LLC	MD
CPA Connect, Inc	IL
Creator Works	CO
CuBit Creative LLC	KS
Day care	NY
Delta Media Group	OH
DES architects + Engineers	CA
DigiSavvy, Inc.	CA
Digital Space Studio, Inc.	GA
Dignify Therapeutics, LLC	NC
Discovery Machine	PA
DMSi Software	NE
Dogtown Media	CA
Draft Design Inc	IL
Draftsman Incorporated	KY
ECR Software Corporation	NC
Ember Technologies, LLC	VA
Emetric LLC	TX
Endeavor	AL
erli.ai	MA
Excella	VA
Expo	CA
Fermi Energy, Inc	VA
Field propulsion Technologies	CO
Filljoy, Inc.	CA
Fool Me Oncle, LLC	NJ
Fortified	NC
Function Therapeutics	WI
GFF Design	TX
GROW Biomedicine LLC	CA
Gruntwork	CA
Hawaii Fish Commpany Inc.	HI
healthpass1	NY

In Time Tec, LLC	ID
Infyrno LLC	UT
Insight Guide	MD
IntervalZero, Inc.	MA
iScreen 2 Prevent LLC	FL
JMad Creations, LLC.	PA
Julien Unger & Associates PLLC	WA
Justice Works, LLC	UT
Kitestring Technical Services	AR
Lemmtec	TN
Lenzner Research LLC	AZ
LighTopTech Corp.	NY
Linarc	CA
Ludlum Measurements, Inc.	TX
LunarLab	AL
MacrosFirst, Inc.	CA
MATSYS, Inc.	VA
MemberSpace	PA
Menopausey	CO
Merchbro	CT
MoonClerk LLC	SC
MyCreativeShop	ND
Nalpeiron Inc	CO
NeuroFieldz Inc	MA
Nuthatch Robotics, Inc.	MA
Opus KSD, Inc	MA
ORB Technologies LLC	KY
OxiWear	VA
Pangea Chat	VA
Pharos Enterprise Intelligence	OR
Pills2Me Inc.	NV
Pitch Media Group, Inc.	MA
Projection Genie Inc.	CA
Proteovista LLC	WI
PSG	TX
PSYONIC	CA
Quantilus Innovation Inc.	NY
Quub, Inc.	PA
Reaktiv Studios, Inc.	CA
Real-Time Innovations, Inc	CA

RemoteSpeech LLC	PA
Resonant Cavity LLC	MN
Rhythmic AI Inc.	MD
Rimidi	GA
Rock Immune, Inc.	CO
Rogers Consulting	MA
Rotational Labs	MN
SavvyCal, Inc.	MN
Sequent Logic, LLC	UT
Sharp Sight AI	TX
SigParser	CA
Smart Material Solutions, LLC	NC
Smiley Technologies, Inc.	AK
Southern DNA	GA
Special Power Sources	OH
Sporian Microsystems, Inc.	CO
Steadfast Innovation, LLC	CA
Superset	NY
Suture Health, Inc.	AL
Swanlogic LLC	NJ
Takachar	TX
Tapp Networks LLC	DE
TechNeed, LLC	NJ
Texas Research Institute Austin, Inc. (TRI Austin)	TX
Theranano LLC	MA
Think2Build LLC	CA
TPL LLC	MI
Trail of Bits	NY
Trillo, Inc	VT
Trio Labs	NC
Two Orioles LLC	NY
Undisclosed	CA
UserScape	NY
Vemos, Inc.	MN
Ventive, LLC	ID
VeraChem LLC	MD
Verpond, Inc.	CA
Wayfarer Aircraft Research and Development	CA

Wholecell.io
YNAB

CO
UT