

October 15, 2024

The Honorable Lloyd Smucker
Chair, Main Street Tax Team
Committee on Ways and Means
1139 Longworth House Office Building
Washington D.C. 20515

Dear Main Street Tax Team:

On behalf of the 159,000 members of the American Dental Association (ADA), thank you for seeking out and listening to the priorities of America's small businesses on tax policy. Most dentists are small businesses, employing just over 6 dental staff per dental practice with an average of 1.5 dentists per practice. All dentists have an impact not only on the health of their communities, but also have a significant economic impact. Congress must consider tax reform that supports our small business dental practice owners, individual dentists, and future oral health care providers so that they can continue to be an asset to their communities while increasing access to high quality oral health care nationwide.

America's dentists urge you to renew the following policies:

- **The 20% deduction for businesses organized as pass-throughs with income below \$300,000.** Many dental practices are organized as pass-through entities, and we support the fair treatment of the business income generated by these practices. Without this deduction, S corporations would be subject to a tax rate far out of parity with C corporations, leading to an uncertain future for many small business dental practices.
- **Full expensing of investments in equipment, software, and property, particularly for small businesses.** Bonus depreciation allows businesses to immediately expense their investments and increases dental practices' ability to grow and provide better care for their patients by utilizing the most up-to-date advances in dentistry.
- **Permanently reducing the corporate tax rate to 21%.**

Not renewing these beneficial tax policies would likely have a significant negative impact on oral health, as our members have told us that large portions have taken advantage of the 20% deduction and bonus depreciation. These policies are especially beneficial to younger dentists and newer practices as they work to establish themselves in their communities. ADA's Health Policy Institute has made the economic impact of dental offices clear:

- The average annual economic impact per year for each dentist is **\$2.4 million**;
- Nationwide, the annual economic impact generated by dental offices is **\$478 billion**;
- Dental offices support **2.5 million jobs** in the US economy each year, and for every job in a dental office, **1.4 jobs are generated in other sectors of the economy**.

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In addition to renewing these crucial policies, we also urge you to support tax reforms that would incentivize oral health care providers to work in underserved communities by exempting loan repayment programs from taxable income. Specifically, please support the Indian Health Service Loan Repayment and Scholarship program and the Dental Faculty Loan Repayment program in the Health Resources Services Administration. The ADA also asks that the student loan interest deduction be increased, and that any taxpayer be allowed to take advantage of this deduction, regardless of income.

Thank you for the opportunity to share the tax reform priorities of America's dentists. These policies are critical for ensuring that dental practices, as integral parts of both the economy and the health system, continue to thrive.

We would welcome the opportunity to speak with you in more detail and to answer any questions you have regarding dentists' tax reform priorities. Please contact Mr. Chris Tampo at 202-789-5178 or at tampioc@ada.org for further discussion.

Sincerely,

/s/

Linda J. Edgar, D.D.S., M.Ed.
President

/s/

Raymond A. Cohlma, D.D.S.
Executive Director

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