



WAYS AND MEANS

REPUBLICANS | KEVIN BRADY, REPUBLICAN LEADER

AGENDA FOR A HEALTHY ECONOMY

Accelerate Long-Term Investment Growth Now (ALIGN) Act (H.R. 6802)

Rep. Jodey Arrington (R-TX)

New jobs, worker productivity, and wage growth mean the better life Americans want and deserve. All of these are made possible by full and immediate expensing, which has proven to be one of the most pro-growth policies in the Tax Cuts and Jobs Act. But businesses can't rely on this until it's made permanent, resulting in a potential slowdown of business investments:

- **Wage growth gets scaled back with scaled back business upgrades:** An increase in cost on new investments may force businesses to plan fewer updates that would create new jobs and advance worker productivity, a key driver of overall wage growth.
- **Workers' prosperity is delayed when businesses have to take their time upgrading:** Businesses may opt to make upgrades over a longer period of time slowing the ability for the economic benefits to be felt on a wider scale.

Permanently extending full and immediate expensing means:

- **Work that works:** Workers get the tools they need to do their work well, resulting in better wages and more opportunity.
- **A Plan for Growth:** Businesses will have more certainty as they look toward the future and plan for expansion and innovation.
- **Ensuring Investing Pays Off:** Tax treatment of capital can impact the profitability of investments by changing the cost of capital.
- **Boosts Confidence and Reduces Costs:** Expensing makes investments less expensive for firms and encourages economic growth activity.

How it works:

- The ALIGN Act will make permanent the full expensing provisions in the Tax Cuts and Jobs Act.
- Immediate expensing incentivizes long-term investments by providing a business an opportunity to deduct certain expenses in the tax year in which they occur.