

HR 1425

Bring Small Businesses Back Tax Reform Act

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Mar 8, 2017

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Mar 8, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/1425>

Sponsor

Name: Rep. Hultgren, Randy [R-IL-14]

Party: Republican • **State:** IL • **Chamber:** House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Smith, Jason [R-MO-8]	R · MO		Mar 8, 2017

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 8, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Bring Small Businesses Back Tax Reform Act

This bill amends the Internal Revenue Code to establish new maximum individual tax rates for qualified business income that does not exceed \$1 million (i.e., small business income). The maximum rates are: (1) 12% of such income not exceeding \$150,000, and (2) 25% for income that exceeds \$150,000 and is not more than \$1 million.

The rates apply to up to \$1 million of qualified business income that is: (1) gross earnings derived by an individual from any active trade or business carried on by the individual, excluding deductions attributable to the trade or business; or (2) the taxpayer's distributive or pro rata share of pass-through income from entities such as a partnership or S corporation. Qualified business income does not include capital gains, interest, dividends, or royalties.

For taxpayers that are not a corporation or a partnership with a corporation as a partner, the bill repeals the annual limitation on the election to expense certain depreciable business assets.

The bill also permits certain small businesses whose average gross receipts do not exceed \$25 million (currently, \$5 million) to use the cash accounting method without limitations and exempts such businesses from inventory rules.

Actions Timeline

- **Mar 8, 2017:** Introduced in House
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