

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader Thune and Speaker Johnson:

On behalf of millions of small businesses across the country, we write to express our strong appreciation for your support of small businesses. Under your leadership, the Working Families Tax Cuts Act delivered tax relief for millions of small businesses across the country. Through this landmark achievement, key provisions like the 20% Small Business Deduction were made permanent, allowing small business owners to invest more of their hard-earned dollars back into their workers, businesses, and communities.

More than 33 million small businesses are grateful that the threat of tax increases is off the table. We hear every day from small businesses how tax certainty has allowed them to expand operations, hire new workers, offer health insurance for the first time, or charitably contribute to their communities. This has been a huge driver of growth on Main Street, and we are grateful for your leadership.

Additionally, the Administration's deregulatory agenda has removed a significant layer of uncertainty and red tape from the economy. Small businesses often do not have lawyers or compliance officers to assist with complex regulatory issues, whereas many of their larger competitors do. The previous Administration imposed over \$1.8 trillion of new regulatory costs and burdens. This unprecedented regulatory onslaught had a disproportionate impact on Main Street businesses and their ability to grow.

One such regulation is the burdensome and unconstitutional beneficial ownership information (BOI) reporting mandate for 32.6 million small businesses. In March of 2025, Treasury exempted over 32 million American businesses from the reporting mandate. This action was the largest deregulatory action of 2025, saving small businesses from over \$128 billion of regulatory costs and compliance burdens. This deregulatory action was monumental. However, over 32 million American small businesses fear this \$128 billion regulation will come back under a future Administration. If BOI is reimposed, the significant penalties for small businesses, up to a \$10,000 fine and two years in prison will be back in effect.

We are grateful for this victory, but this victory is only temporary. The fight is not over. We urgently ask that the House and Senate prioritize legislation to lock in the \$128 billion of regulatory savings. This can be done through full BOI repeal, which has 34 Senate cosponsors (S. 100) and 194 House cosponsors (H.R. 425), or through language to codify Treasury's interim final rule from March 2025 exempting U.S. businesses from BOI and destroying the BOI of the millions of American small businesses who registered with FinCEN but are no longer required to file.

The codification legislation has already passed the House Financial Services Committee. Now, it must be included in must-pass legislation like the National Defense Authorization Act (NDAA), which is how the invasive BOI mandate became law in 2021. Small businesses believe that just as

Congress created the BOI mess through the NDAA, Congress can also clean up their mess through the NDAA.

A provision along the following lines would accomplish full repeal of the BOI reporting provisions: “SEC. ___. Section 6403 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283), and amendments made by that section, are repealed.” Or a provision along the following lines would have the effect of repealing BOI reporting provisions with regard to Americans only: “SEC. ___. The interim rule issued by the Department of the Treasury, pursuant to the amendments made by section 6403 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283), at page 13697 of volume 90 of the Federal Register (March 26, 2025), is hereby authorized and shall have the full force and effect of law.” Either of these amendments lies within the legislative jurisdiction of the Committee on Armed Services under the Rules of the House of Representatives and should be found germane as an amendment to NDAA’27.¹

Reps. Davidson and Fischbach have offered an amendment to the NDAA that would codify Treasury’s American small business BOI exemption². This amendment must be prioritized. Small businesses urgently need your leadership to lock in the largest deregulatory savings of 2025 and protect over 32 million small businesses from this invasive regulation coming back in the future.

Thank you again for your leadership to protect and fight for Main Street small businesses. We look forward to continuing to work with you to advance pro-growth policies that will fuel the growth of small businesses across America.

Sincerely,

¹ House Rule X, clause 1, subsection (c) gives the Committee on Armed Services legislative jurisdiction over “common defense generally.” Recall that the BOI reporting requirements originated as part of amendments offered en bloc on the House floor by the then-Chairman of the House Armed Services Committee to the National Defense Authorization Act for Fiscal Year 2021 (H.R. 6395 of the 116th Congress), see *Congressional Record* of July 20, 2020, page H3379, col. 1. BOI reporting provisions similar to those offered by the HASC Chairman were part of the House-Senate conference report on H.R. 6395 that the two Houses adopted, and the BOI reporting provisions became law when both Houses enacted H.R. 6395 over a presidential veto (Public Law 116-283). Section 6402(3) of Public Law 116-283 purports to justify the BOI requirements as needed to prevent harms to “the national security interests of the United States and allies of the United States[.]” Thus, House rules (HASC jurisdiction over the common defense), the nature of the legislative vehicle (annual defense authorization bill broadly addressing the full range of national security issues), the committee whose chair originated the BOI reporting amendment (HASC), and the justification given in statute for the BOI reporting requirements (national security) all point in the same direction -- the HASC has legislative jurisdiction with respect to repeal or amelioration of the statutory BOI reporting requirements, and an amendment to the annual defense authorization bill to repeal or ameliorate the requirements would be germane to the NDAA’27. In the event the House Parliamentarian concludes otherwise (that the Committee has no jurisdiction or the amendment would not be germane), the HASC should ask the House Rules Committee to ensure that the rule governing consideration of NDAA’27 makes an amendment to repeal or ameliorate the BOI provisions in order.

² Amendment 1223 submitted to House Rules Committee, https://amendments-rules.house.gov/amendments/CTA%20Amdt%20DAVIOH_144_xml260623092304805.pdf?_gl=1*1inhrf1*_ga*MTcyMDYxNTg0MS4xNzEyNjAyNTcy*_ga_N4RTJ5D08B*cze3ODIzMDUwMzMkbz1jGcxjHQxNzgyMzA1MDM4jGo1NSRsMCRoMA.