



National Grocers Association

June 12, 2014

The Honorable John Boehner
Speaker of the House
H-232, The Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
H-204, The Capitol
Washington, D.C. 20515

The Honorable Eric Cantor
Majority Leader
H-329, The Capitol
Washington, D.C. 20515

The Honorable Steny Hoyer
Democratic Whip
H-148, The Capitol
Washington, D.C. 20515

Dear Speaker Boehner, Leader Pelosi, Leader Cantor, and Representative Hoyer:

The National Grocers Association (NGA) supports two bills expected to be considered in the House today: H.R. 4453, the Permanent S-Corporation Built-in Gains Recognition Period Act and H.R. 4457, America's Small Business Tax Relief Act of 2014. NGA strongly encourages the House to pass both bills with bipartisan support, and we commend House Leadership and Chairman Camp for bringing the bills to the Floor.

H.R. 4453 would make permanent the five year recognition period for built-in gains. The bill, introduced by Congressmen Dave Reichert (R-WA) and Ron Kind (D-WI), is of critical importance to the independent supermarket industry, as it would allow S-Corps to access their own capital after only five years, as opposed to current law which places the time period at 10 years. Congress has voted to decrease the recognition period three separate times, but each of those bills were temporary reductions, and once expired, the law reverted back to the 10 year period.

H.R. 4457, introduced by Congressman Pat Tiberi (R-OH), would make permanent Section 179 expensing, a tax credit that allows for the increased \$500,000 expensing allowance for depreciable business property. This tax credit is incredibly important to our industry, and NGA has heard from many store owners who have been able to improve stores or open new locations solely because of this tax measure, thereby having a positive economic impact on local economies.

While NGA supports the two bills referenced above, it is also important to note our continued support for a larger package of pro-growth tax extenders, including the Work Opportunity Tax Credit (WOTC), Bonus Depreciation, the New Markets Tax Credit (NMTC), and enhanced charitable deductions for contributions of food. In the current economic environment, these pro-growth tax measures continue to be critical to independent grocers.

NGA strongly urges Congress to pass both bills up for consideration today and work to quickly pass legislation to provide independent grocers with an extension of a larger package of pro-growth tax provisions. Our members are united in our call for the extension of these tax extenders so independent grocers can be provided with tax certainty and predictability.

Sincerely,

A handwritten signature in black ink, reading "Peter Larkin". The signature is written in a cursive, flowing style with a large initial "P" and a long, sweeping underline.

Peter Larkin
President and CEO
National Grocers Association (NGA)

cc: All Members of the House of Representatives