



**Tax Issue 2: Bonus Depreciation Talking Points & Things to Ask For**

<b>What to Ask for When Visiting House Members</b>	<b>What to Ask for When Visiting Senators</b>
<b>NPMA urges Congress to help businesses succeed by make 100% bonus depreciation permanent prior to 2023.</b>	<b>NPMA urges Congress to help businesses succeed by make 100% bonus depreciation permanent prior to 2023.</b>

Background:

- The Tax Cuts and Jobs Act (TCJA), passed by Congress in December 2017, made significant progress in improving the cost recovery treatment of business investment by enacting 100 percent bonus depreciation for short-lived assets (Section 168 k).
- By its nature, pest control is a capital-intensive industry. The TCJA provides ability to immediately deduct capital expenditures (often referred to as “full expensing” or “bonus depreciation”), which significantly reduces the cost of acquiring trucks and various equipment used by pest control businesses.
- This provision allows businesses to immediately deduct the full cost of short-lived investments, similar to the treatment of other business expenses, rather than stretching deductions over many years.
- The Tax Foundation estimates that making the TCJA bonus depreciation provision permanent would result in a 0.9 percent larger economy, a 2.2 percent larger private capital stock, 0.8 percent higher wages, and 172,300 additional full-time equivalent jobs.

Current Status

- 100% Bonus depreciation is only scheduled to be in full effect for five years and will begin to phase out in 2023 and will expire in its entirety at the end of 2026.

Why NPMA Cares:

- Allowing 100 percent bonus depreciation to expire would increase the cost of making certain investments for structural pest management businesses.
- NPMA member companies will be able to create more jobs and invest in their businesses if the 100 percent bonus depreciation allowance is made permanent.