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## **Leading Coalition Applauds Introduction of Bipartisan Legislation to Keep Critical Pro-Growth Tax Provision**

**WASHINGTON, D.C.** – Following introduction of the Permanently Preserving America’s Investment in Manufacturing Act by Rep. Joseph Morelle (D-NY) and Rep. Adrian Smith (R-NE), the [Coalition for America’s Interest](#) praised the bipartisan effort to prevent a harmful limitation on the tax deductibility of business interest from going into effect.

The Coalition for America’s Interest was created with the goal of educating policymakers on the benefits of the current EBITDA standard for interest expense deductions. The Morelle-Smith legislation would permanently preserve EBITDA, forestalling a scheduled change to EBIT and making it easier and less costly for capital-intensive companies to finance critical purchases, grow their businesses, and hire new workers.

The Coalition today released [a letter to Congress](#) with more than 80 trade association signatories, expressing support for the EBITDA standard.

“Preserving the deductibility of interest expense is critical to manufacturers’ ability to invest for the future. The NAM applauds Reps. Morelle and Smith for working to maintain the EBITDA standard and prevent harmful new interest limitations from taking effect at year’s end. Protecting EBITDA means that the women and men who make things in America will have the financial flexibility to expand their facilities, finance equipment and machinery purchases, and continue leading the economic recovery.”

– **Chris Netram, Vice President of Tax and Domestic Economic Policy, National Association of Manufacturers**

“The Chamber continues to strongly support retaining EBITDA so businesses of all sizes can have the access to capital necessary to weather the current uncertain economic environment. As businesses continue to work to succeed during this global pandemic, the increased tax liabilities from abandoning EBITDA would mean fewer jobs and less investment, both of which would stymie economic growth.”

– **Ashley Wilson, VP of Governmental Affairs and Managing Director of Public Affairs, U.S. Chamber of Commerce**

“We applaud Representatives Morelle and Smith for their leadership and commitment to helping job creators. The EBIT cliff would be an unfortunate tax increase on many businesses across the country.”

– **Brad Bailey, Senior Vice President of Government Affairs, American Investment Council**

Starting in 2022, interest deductions will be limited to 30% of a business’s earnings before interest and tax (EBIT)—a substantial reduction from the current standard, which is based on earnings before interest, tax, depreciation, and amortization (EBITDA).

Earlier this year, the Coalition released a [study](#) finding that an EBIT limitation would significantly increase the tax burden on affected businesses and make the U.S. an outlier among countries with earnings-based interest limitations.

*Through research and advocacy, the Coalition for America’s Interest will continue to highlight the negative impacts that changing EBITDA will have on American businesses. Learn more about EBITDA and how you can get involved by visiting [AmericasInterest.com](https://AmericasInterest.com).*