

C O N G R E S S W O M A N
MARIE NEWMAN
Representative for Illinois' Third District



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**U.S. REPRESENTATIVE NEWMAN INTRODUCES REST ACT TO CUT TAXES ON
SMALLEST OF SMALL BUSINESSES**

Legislation would increase deduction of income on a qualified business from 20% to 25% for businesses that make less than \$100,000 annually

WASHINGTON, DC – Today, U.S. Representative Marie Newman (D-IL-03) introduced the Relief and Equity for Small Businesses through Tax (REST) Act, which is designed to cut taxes on the smallest of small businesses across the country. The legislation would adjust Section 199A of the Internal Revenue Code to increase the deduction of income from 20% to 25% for businesses that make less than \$100,000 annually, providing small businesses with the tax relief they need to recover from this pandemic.

“As a former small business owner, I know that our local entrepreneurs and small businesses are the backbone of our economy. From mom-and-pop retailers to family-owned stores, more than 80% of all businesses in Illinois’ 3rd Congressional District are small businesses. They are our neighbors, friends and family – and they need our help,” said Congresswoman Newman. “As we move forward in the beginning stages of recovery from this pandemic, we must continue to provide relief and offer long term solutions for small businesses to remain open indefinitely. That’s exactly what the REST Act is designed to do by increasing the deduction of income on a qualified business and ensuring our entrepreneurs are keeping more money in their pockets. I look forward to passing this legislation because I know that when we provide relief to our small businesses, we lift up local labor, create good-paying jobs and build back a stronger, more equitable economy.”

The nation’s smallest of small businesses employ the majority of private sector workers and represent 95% of all businesses, however, they still hold the highest percentage rate of at-risk businesses likely to experience a permanent closure as a result of the pandemic. In fact, industries such as retail, fitness, beauty, bars, and nightlife are six times more likely to undergo a permanent closure. The REST Act will provide local entrepreneurs and business owners with the critical relief they need for a long-term sense of security.

“The small business community has been devastated by the pandemic. Entrepreneurs and small business owners have been hit extremely hard,” said Elliot Richardson, Co-Founder and President of the Small Business Advocacy Council. “Increasing the Qualified Business Income Deduction from 20% to 25% will help small businesses recover from the pandemic and in time, grow their businesses. This important legislation will help small businesses and the American economy recover and thrive.”

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Following the end of the Paycheck Protection Program, a vast majority of small businesses are still in desperate need of financial relief. The critical tax relief provided under the REST Act would provide businesses not only with the relief they deserve but would also lead to more consistent economic growth, greater employment opportunities and higher wages as the nation begins its post-COVID economic recovery.

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