



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

April 28, 2008

The Honorable Vito Fossella
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Fossella:

Congratulations on your recent introduction of H.R. 5906, the “Small Business Capital Expansion and Improvement Act of 2008.” **This bill, which would begin to allow full business expensing for real property, is terrific pro-growth tax policy and should be co-sponsored by all Members of Congress.**

Under current law, small businesses are allowed to “expense” (rather than slowly-deduct, or “depreciate”) most purchases of business equipment and computer technology. H.R. 5906 would begin to expand small business expensing into the area of real property. A business with less than \$5 million in average annual gross receipts could elect to expense up to \$125,000 worth of business real property. The remaining real property basis, if any, would still be eligible for depreciation as under current rules.

Expensing is a key component to taxing all consumed income once and only once at one low, flat rate. H.R. 5906 is a great step in that direction.

Sincerely,

Grover Norquist

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