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April 26, 2016

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Wyden Statement at Finance Hearing on Business Tax Reform
As Prepared for Delivery

If you own a small business today, you're in danger of being ensnared in an outdated, overgrown tax code that Americans spend 6.1 billion hours and more than \$100 billion complying with each year. The code is punishing to those who don't have a team of accountants and the luxury of time to plan investments around taxes. The tax code tells small businesses that their dollar is worth less, compared to sophisticated firms that can afford to make the rules work for them. I see an enormous opportunity to modernize the code and strip out a lot of that unfairness by radically simplifying our system of depreciation. That's why today I released the Cost Recovery Reform and Simplification Act of 2016.

For small, cash-strapped firms to grow and create jobs, they need to invest in basic things like new cash registers, office computers, or farm equipment when it makes business sense – not when it makes tax sense. Today, to figure out the tax deductions on these investments, you have to navigate more than 100 sets of tax rules. My proposal gets rid of the headache and lays out six categories for depreciation that are easy to work with.

Today, you have to do the math as many as three separate times under different programs for each and every asset. My proposal says one round of math is enough, and businesses shouldn't have to do individual calculations for every car on the lot, every computer in the lab, or every machine in the shop.

Today's rules were written in the 1980s. They're stuck in an era of fax machines and VCRs that predates the tech boom that transformed the way Americans live and work. My proposal says our business tax rules should reflect our 21st century economy, and they should help cutting-edge entrepreneurs thrive, not hold them back.

It makes no sense to cling to an outdated system that taxes some high-tech investments, such as computer servers and MRI machines, at more than double the rate of other investments. A startup owner shouldn't be told they're not allowed to use a work laptop in a coffee shop, or they'll face a financial hit on their taxes. And in my view, the tax code shouldn't get in the way of public-private partnerships that want to build new roads, bridges and highways around the U.S. So my proposal will fix these issues with new rules based on common-sense and a realistic appreciation of how businesses operate today.

It's my hope that we're able to take a look at these proposals and more as the committee considers how to bring our tax code up to date. I look forward to today's hearing and I thank our witnesses for being here. I'm especially thrilled that we're joined by Gayle Goschie of Goschie Farms in Silverton, Oregon. The hundreds of acres of hops they grow at Goschie Farms are a big part of what makes Oregon beer the best that money can buy. So I'm thrilled to have her here today.

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