



## VIA ELECTRONIC MAIL

September 16, 2024

The Honorable Jason Smith  
U.S. House Committee on Ways and Means  
1139 Longworth House Office Building  
Washington, D.C. 20515

Re: Tax Teams Comment on Main Street

Dear Chairman Smith:

The undersigned organizations write in response to the Ways and Means Committee's request for comment on the impact of expiring provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) on families, workers, businesses, and communities. Specifically, we ask that Congress adopt tax incentives to encourage savers to seek advice and guidance from financial professionals. Unfortunately, too many American households and workers lack access to competent and ethical financial advice as they plan for their retirement, college plans, home buying, and other financial goals.

Congress recognized the value of professional investment and financial planning advice by providing a tax deduction for those services (26 U.S.C. § 212). Congress repealed that limited deduction in 2017 when it passed the Tax Cuts and Jobs Act (TCJA) signed into law by President Trump. An unintended consequence of this repeal has been that it raised the cost of financial advice that is critical to Main Street investors and workers saving for retirement.

The repeal of this deduction may have appeared inconsequential in light of 2017's rising stock market, sustained job growth and slowly increasing real wage growth. However, the economic volatility resulting from the COVID-19 pandemic illustrated that having access to affordable, professional advice from trusted financial professionals is even more important in turbulent times. Throughout the market fluctuations, millions of Americans, including many near retirement, watched the money they worked so hard to earn and to save for a secure retirement evaporate virtually overnight. Many were frightened by the extreme stock market volatility, the deteriorating business environment and the state of their personal household finances. They were confused and unsure about what steps they must take immediately and how to plan for the long term, including for retirement, college expenses, home buying, and other financial goals. These Main Street investors realize tremendous immediate benefits when they have access to affordable, professional financial advice to help them manage their finances.

As Congress considers extending the expiring provisions of the TCJA, we ask that Congress restore and expand tax incentives for financial advice, including financial planning. Such tax incentives may include deductions, credits, or a combination thereof. Further, Congress should ensure that these incentives are responsive to the needs of Main Street Americans. All taxpayers

need help to obtain the critical financial advice they need now, and any tax incentives should be widely-available to American households.

We look forward to discussing with you these and other legislative alternatives that may be appropriate and responsive to the urgent needs of all Americans.

Sincerely,

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