



November 29, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

The National Retail Federation strongly supports H.R. 1, the Tax Cuts and Jobs Act. This legislation represents a once-in-a-generation opportunity to address major flaws in U.S. tax law that are driving investment out of the country. H.R. 1 will increase economic growth, which will help retail businesses and their customers.

NRF is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. 98% of retailers are small businesses employing less than 50 people. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs — 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation's economy. NRF.com

NRF believes tax reform will boost the economy, helping small and large retailers alike along with their customers. The U.S. has the highest corporate income tax rate in the industrialized world, which causes U.S. companies to move investment out of the country and is a disincentive for foreign companies to make larger investments here. Reducing the corporate rate will help attract investment to the United States, which will create jobs, boost wages and increase consumer spending.

Importantly, H.R. 1 reduces the corporate tax rate to a competitive 20 percent and reduces taxes on pass through businesses through a substantial deduction for qualified business income, which we believe keeps small businesses competitive with corporations, especially in light of the fact that corporate income is subject to double taxation. Enabling small retailers to use the cash method of accounting and eliminating the complexities of the uniform capitalization rules provide major simplification that will greatly reduce compliance costs for small businesses. In addition, we believe that the increased standard deduction, child tax credit, and individual tax bracket changes will benefit our consumers.

NRF urges you to support H.R. 1 and will consider votes on, or in relation to, this bill as Key Retail Votes for our annual voting scorecard.

Sincerely,

A handwritten signature in black ink, appearing to read "David French".

David French
Senior Vice President
Government Relations

cc: Members of the United States Senate