

July 1, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: Innovator Alliance supports passage of H.R. 1, the *One Big Beautiful Bill Act, as amended*

The Innovator Alliance, comprised of the undersigned organizations, commends policymakers for their leadership and writes in support of the House passing *H.R. 1, the One Big Beautiful Bill Act*, as amended by the Senate. The proposed legislation advances a pro-growth tax policy framework that will bolster the innovation ecosystem, this country's economic engine that broadens opportunity to more Americans and drives our country's competitive edge.

The Innovator Alliance is a coalition of leading organizations that advocate for policy to bolster entrepreneurs, employees, and investors that drive the innovation economy. The Innovator Alliance was founded last year by the Advanced Medical Technology Association, Angel Capital Association, Carta, Center for American Entrepreneurship, Engine, National Venture Capital Association, and Technology Councils of North America, and is expanding to more companies, investors, and other stakeholders across the country.

Our support reflects the pro-growth policy reflected in Congress' work to restore R&D expensing and expand Section 1202, the qualified small business stock.

Our Alliance applauds the inclusion of a fix to Section 174, permanently restoring full and immediate expensing of research and development (R&D) investments. This is critical to the startups and growth-stage companies that are this country's economic and innovation engine. We are especially grateful that the legislation enables small businesses to apply this change retroactively. We are encouraged that policymakers have addressed this issue and done so on a permanent basis, which would create the clarity and certainty that drives investment in innovation.

Further, we applaud the work to expand the impact of Section 1202, the qualified small business stock exemption. QSBS drives capital and talent to the riskiest, but most critical part of the innovation engine — the startups and growth stage companies building the future. The Senate's inclusion of language to phase-in the benefit, expand the universe of businesses eligible, and increase the cap of the benefit will drive more investment into these companies and help more employee-owners benefit from their work. We appreciate policymakers including this provision and support it becoming law.

The Innovator Alliance applauds the work in crafting this package, we support its passage, and look forward to advancing a pro-growth, pro-innovation tax package that includes these vital reforms.

Please contact us at policy@innovationalliance.org to discuss these issues or if you have any questions. For more information, visit our website, www.innovatoralliance.org. Thank you.

Sincerely,

The Innovator Alliance

Advanced Medical Technology Association

Angel Capital Association

Carta

Center for American Entrepreneurship

Engine

National Venture Capital Association

Technology Councils of North America