

November 7, 2017

The Honorable Kevin Brady
Chairman
House Ways and Means Committee
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
House Ways and Means Committee
237 Cannon House Office Building
Washington, DC 20515

Dear Chairman Brady and Ranking Member Pallone,

On behalf of the more than 161,000 members of the American Dental Association (ADA), we again urge you to reconsider a business tax issue that impacts our members. Most dental offices are small businesses and as many as 53% of those practices are structured or organized as pass-through entities or S Corporations. The provision in the current House bill that is intended to provide relief for S Corporations does not apply to entities designated as personal services, such as dental offices. Because of this distinction, the ADA is concerned that affected dental practices are not receiving fair and equal treatment of their business income.

The dental industry in the United States is both a revenue producer and job creator. One dental office contributes an estimated \$1.7 million dollars annually to the economy.¹ The industry overall contributes to numerous sectors, from trade and manufacturing, to real estate and utilities. In any given year, it is estimated that the dental industry has an economic impact of \$272 billion.² Our dental office S Corporations are key “main street” businesses and should be treated as such under any proposal to revise S Corporation tax rates.

The ADA requests the tax treatment of S Corporations be extended to all small businesses, including dental practices organized as pass-through entities or S Corporations.

Thank you again for your consideration and please do not hesitate to contact Megan Mortimer, Congressional Lobbyist for the ADA, at mortimerm@ada.org or 202-898-2402 if you or your staff have any questions or would like additional information.

Sincerely,

Joseph P. Crowley, D.D.S.
President

Kathleen T. O’Loughlin, D.M.D., M.P.H.
Executive Director

¹ 2000 Economic Impact of Dentists Study by the ADA's Health Policy Institute, adjusted for inflation.

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