



June 9, 2023

To the Members of the United States Congress:

The U.S. Chamber of Commerce strongly supports S. 1243 / H.R. 2767, the “Small Business Investment Act of 2023.” This legislation would help grow small businesses by enhancing the benefits of and expanding eligibility for the qualified small business stock (QSBS) gain exclusion in section 1202 of the Internal Revenue Code.

Section 1202 generally allows certain individuals and other noncorporate investors who hold QSBS for more than five years to exclude any gain realized on its sale. Under existing law, however, eligibility for this incentive is limited to stock in qualifying subchapter C corporations, excluding most of today’s individually and family owned businesses. The proposed legislation would increase the efficacy of section 1202 by expanding its eligibility to stock in qualifying subchapter S corporations and decreasing the required holding period from five to three years.

The Chamber calls on Congress to renew its commitment to helping American entrepreneurs raise capital for the start-up and expansion of small and mid-sized businesses and urges you to cosponsor these important bills.

Sincerely,

Neil L. Bradley
Executive Vice President, Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce