

How the Working Families Tax Cut Act is Affecting America's Small Businesses

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Chairman, Ranking Member, and Members of the Committee:

Thank you for the opportunity to testify today. My name is Traci Tapani. I am the Co-President and owner of Wyoming Machine, Inc., a manufacturing company in Stacy, Minnesota. My family-owned company specializes in sheet metal fabrication. We offer a variety of services to clients, from laser cutting to welding.

I also serve on the Board of Directors for the U.S. Chamber of Commerce, and I am the incoming Chair of the Chamber's Small Business Council. The U.S. Chamber serves and supports more than 5 million small businesses through membership, our nationwide federation, and digital platforms—giving small businesses representation, resources, and a powerful voice at national scale.

Serving and supporting small businesses is in the Chamber's DNA. From the 4.7 million unique visitors to our CO—website for tools, guidance, and insights every year, to the small businesses and entrepreneurs who belong to the U.S. Chamber and our 1,500 state and local chamber partners, to the members of the Small Business Council and Board of Directors, like myself, who advance the Chamber's mission and advocacy, to the ranks of the CO—100 who represent America's best and brightest—the U.S. Chamber of Commerce exists to give each and every American small business a seat at the table and a voice in the debate.

The message I'm here to deliver today is this: the Working Families Tax Cut Act is already working for Main Street, and the permanence of key provisions is giving small business owners the certainty we need to invest long term.

Impact on Main Street

Small businesses don't experience tax policy in theory. We feel it in real time, when we decide if we can afford a machine that increases output, upgrade software that reduces waste, hire and train workers, or take on new customers with confidence.

The new tax law is delivering value for American small businesses by providing stronger cash flow for investment, and stability and predictability to plan for growth. Additionally, the Working Families Tax Cut Act bolsters workforce training and allows hard-working American workers to keep more of their wages.

Based on what I am seeing in my own company, and what I'm hearing from my peers on the Chamber's Small Business Council, these reforms are translating into real, practical growth. What matters most to small business owners is certainty and the ability to invest, and the consistent message I hear is that permanency and immediate expensing reduce risk and unlock investment. When an owner believes key tax rules may change at year-end,

the rational response is to delay hiring, delay purchases, and avoid longer-term commitments. However, when the rules are stable, small businesses can put real plans in place.

Why Full Expensing and Certainty Matter in Manufacturing

Manufacturing is capital-intensive. When we invest in equipment, we're not buying "nice-to-have" items; we are buying the capability to compete—and to keep production here at home.

Nearly all U.S. manufacturing firms are small businesses, and together they form the distributed industrial base that makes domestic production possible. Because these firms are capital intensive, full and immediate expensing directly enables equipment investment that drives productivity, stable jobs, and U.S. manufacturing competitiveness.

Reviving and growing U.S. manufacturing has been a stated national priority in recent years—including during the Trump administration—which is why pro-investment tax policies like full and immediate expensing matter.

In practice, that priority depends on whether businesses like mine can say "yes" to major equipment purchases when the opportunity arises. Capital expensing is critical. The 100% bonus depreciation for new equipment contained in the tax law is hugely helpful. Before this reform, smaller manufacturers could only deduct 40% of the cost of major technology purchases in the first year and 20% in the second—meaning we had to carry more of that cost for longer. The new rules allow full deduction up front, whether investing in advanced manufacturing technology like handheld laser welding or other productivity tools.

Those decisions become easier and faster when the tax code supports investment and provides predictability—especially when provisions like full expensing are permanent and not treated as temporary.

In 2025, our welding department was running about five weeks behind schedule for months. That kind of backlog puts a small manufacturer in a tough position; when you can't deliver on time, customers have to look elsewhere, including overseas. I was trying to find additional help—including working with talent agencies—but I simply could not find the skilled TIG welders we needed. TIG welding is like driving a manual transmission, both hands and one foot working independently, with a steady hand and perfect timing—and it's not a skill you pick up overnight. Fiber laser welding lets a less-experienced operator do work that normally requires a top-tier TIG welder. That's why investing in a fiber laser welder became urgent for us—so we could clear the backlog, meet delivery dates, and keep

customers from sourcing elsewhere. Full expensing—and certainty that it will remain in place—helps us make those investments faster, before delays turn into lost customers.

When full expensing is available—and when business owners can trust the rules won't change at the end of the year—we can put real plans in place like upgrading equipment, increasing productivity, and taking on new work with confidence. That's how small and midsize manufacturers keep jobs, investment, and know-how in the U.S., strengthen supply chains, and continue to compete on quality and lead times in a highly competitive global market.

In addition to equipment, an equally important factor is access to the workforce needed to operate it. For manufacturers, the skills gap is not an abstract issue—it shows up as missed delivery dates, backlogs, and lost opportunities to grow.

Workforce Training and Short-Term Pell under the Working Families Tax Cuts Act

Small manufacturers also need fast, affordable pathways for people to gain job-ready skills. The Working Families Tax Cuts Act's Short-Term Pell (Workforce Pell) is expected to begin this summer, and while that funding option may not be available to students for a few more months, it will help more people afford short, high-quality welding and machining training that leads directly to work.

Pine Technical and Community College in Pine City, Minnesota is close to my business, and we already partner with students in short-term programs by providing internships and part-time jobs that add real-world experience to classroom training. Even before Short-Term Pell is available, I currently have a student working at Wyoming Machine who is enrolled in short-term training—and she is already contributing on the shop floor using our new handheld laser welding technology.

For small manufacturers, Short-Term Pell can accelerate the pipeline into welding and machining jobs by helping students afford short programs and by strengthening employer-connected, work-based learning.

Real Stories from Small Business Owners

The Working Families Tax Cut Act is not one single change—it's a set of reforms that work together to improve cash flow, reduce risk, and give small business owners the certainty to invest and grow.

To make this tangible, I would like to share the experiences of fellow Small Business Council members, whose stories illustrate how the new tax law is translating into growth, innovation, and job creation.

Mike Zaffaroni: Owner, Liberty Landscape Supply, Jacksonville, FL

Mike's company operates six locations in the Jacksonville area and employs 170 people. He shared that the new tax law "provided me the freedom to grow" by removing the uncertainty around whether the 20% small business deduction would remain in place. Combined with enhanced expensing for investment, that certainty has helped him make both short-term and long-term business decisions with greater confidence.

Working with his tax advisor, Mike was able to accelerate a long-term growth project into an immediate expansion. Savings from the new tax law allowed him to purchase a truck and hire an operator to add pest control services that customers had requested for years. He made clear that he would not have moved forward without the support of the new tax law.

Liberty Landscape Supply is also planning to acquire another nursery in Tallahassee, FL, with 82 employees. The deal is expected to close in April 2026 and would not have happened without pro-growth tax policy.

Natalie Kaddas, CEO, Kaddas Enterprises, Salt Lake City, Utah

Kaddas Enterprise is a second-generation family manufacturing business located in Salt Lake City, UT. Kaddas Enterprise is undergoing its 3rd expansion in the past seven years and sells their products across the US and into 17 countries worldwide. Natalie calls immediate Research & Development (R&D) expensing "the essential to maintain our competitive advantage within our business." When the tax code required her to amortize R&D costs instead of deducting them right away, it tied up cash and amounted to an estimated tax liability by 35%.

With the Working Families Tax Cut Act's restoration of full, immediate expensing for U.S.-based R&D, she can now keep more working capital in the business and reinvest in operational improvements that support energy resiliency. Most importantly, she emphasized that making R&D expensing permanent gave her and her employees the confidence to launch their latest expansion.

Michelle Mekky, Owner, Mekky Media Relations, Chicago, IL

Michelle leads Mekky Media Relations, a public relations firm in Chicago, IL that employs 10 people. She said the new tax law is giving her the certainty to invest more aggressively in her people and her company. By making the 20% pass-through

deduction permanent, Michelle gained the confidence it takes to make longer-term investments in employee benefits. This year, she launched paid maternity leave for the first time and is now moving forward with a 401(k)-matching program.

She also described reinvesting in growth tools, including AI technologies to better serve clients, and extending leadership coaching for senior talent. While her industry isn't equipment-heavy, she noted that improved expensing and stronger cash flow will support future investments in computers and systems as the business scales, helping her continue to elevate the company and the services it provides.

Victoria Thomas, *President, VICCI Inc, Fitchburg, Wisconsin*

VICCI oversees motorsports brands, including the engineering and manufacturing company, Riley Technologies, and Kellymoss, the winningest team in Porsche racing. Victoria shared the impact of reinstating immediate expensing for U.S.-based R&D. By allowing eligible businesses to amend tax returns for refunds on previously amortized R&D, Victoria's team is unlocking more than six figures to grow, hire, and innovate.

Victoria also pointed to evidence that the Working Families Tax Cut Act is strengthening American manufacturing demand across the supply chain. She is in the process of acquiring a 155,000-square-foot facility in North Carolina to meet customer demand.

Closing

The benefits of the Working Families Tax Cut Act extend beyond company financial reports to the health and well-being of our employees. Congress also made a commonsense decision to remove taxes on overtime. In my metal fabrication business, overtime often happens when we are responding to customer demand on short notice. For example, when a customer lands an unexpected sale of equipment and needs a rush order fulfilled, our team may put in extra hours to meet that demand—and they should be able to keep more of what they earn for stepping up. When my employees step up like that, it keeps our local customers on schedule, supports the shops and suppliers we rely on, and helps keep good-paying manufacturing work here at home. By allowing workers to keep more of what they earn when they put in extra hours, the Act rewards effort, makes overtime worth taking, and helps our team build a more stable household budget. When my employees can keep more of their hard-earned wages, they are happier. A happy workforce is a strong workforce, and when my workers can better afford groceries and other necessities, it strengthens their households and our community.

Thank you again for the opportunity to testify. The Working Families Tax Cut Act is enabling small businesses to do what we do best: build, innovate, and create jobs. The law's permanent, pro-growth provisions are giving us the certainty and confidence to invest for the future. I welcome your questions.