



- The Coalition for America's Interest [strongly supports](#) the **Permanently Preserving America's Investment in Manufacturing Act** (S. 1077/H.R. 5371), sponsored by Sen. Roy Blunt (R-MO) and Reps. Joseph Morelle (D-NY) and Adrian Smith (R-NE).
- Debt financing plays an important role in **supporting capital investments, growth, and job creation at businesses of all sizes** and across a wide array of industries. Income tax deductions for interest on business loans enable companies to efficiently raise these critical funds.
- The total amount of interest a business can deduct is capped by section 163(j), which limits the size of the maximum interest deduction in a given year to 30% of a business's **earnings before interest, tax, depreciation, and amortization (EBITDA)**.
- Starting in 2022, the maximum interest deduction will be further limited—to 30% of a business's earnings before interest and tax (EBIT). By excluding depreciation and amortization, **the stricter EBIT standard will make it more expensive for capital-intensive companies to finance critical investments** and grow their business.
- **If Congress allows the EBIT standard to take effect in 2022, capital-intensive businesses will see significant increases in their tax liability and financing costs.** Further, imposing additional limits on interest deductibility will harm U.S. competitiveness by making the United States an outlier compared to our peers in the OECD.
- **S. 1077/H.R. 5371 would preserve current law for interest deductibility**, permanently protecting the current EBITDA standard and ensuring that job creators across the country are not hit with increased financing costs and reduced liquidity as they work to recover from the economic damage caused by COVID-19.
- The Coalition for America's Interest has [released a report](#) showing that **businesses affected by the shift to EBIT will on average see close to a three-fold increase in their incremental tax obligations**. According to the report, the U.S. would be the only country with an earnings-based interest limitation based on an EBIT standard if the change is allowed to go into effect at year's end.
- The Coalition for America's Interest recently sent a letter to Congress **signed by more than 80 national trade associations** expressing support for the EBITDA standard and calling on Congress to act now to forestall the shift to EBIT.