Important business tax incentives have expired, putting America at a global disadvantage. Restoring these pro-growth provisions would strengthen the U.S. economy, create American jobs and increase America’s competitiveness.

**Expired on December 31, 2021:**

**Full Expensing of Research and Development (R&D) Investments**
- As of 2022, businesses are required to expense R&D investments over five years rather than in the same year the investments occurred, which is a **damaging departure from 70 years of bipartisan pro-innovation policy**.
- The U.S. is now **one of only two developed countries** without immediate expensing for R&D.
- China is **doubling down** on incentives to bolster R&D, while the U.S. is making it more expensive.
- More than **10,000** American jobs will be lost each year over the next decade without immediate R&D expensing.

**Expired on December 31, 2022:**

**Full Expensing of Investments in New Equipment, Machinery and Technology**
- Starting in 2023, businesses can only expense 80% of investments in new equipment, falling to 60% in 2024, 40% in 2025, 20% in 2026 and **eliminated completely in 2027**.
- The elimination of full expensing **discourages domestic investment**, limiting opportunities for businesses and workers in the U.S.
- Full and partial expensing has been in the tax code for 21 of the past 23 years and supported by **Republicans and Democrats**.
- Permanent full expensing would create **73,000** American jobs.

**Expired on December 31, 2021:**

**Limited Interest Deduction on Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**
- As of 2022, the business interest deduction is restricted to 30% of a company’s earnings before interest and taxes (EBIT) rather than EBITDA. This is a **tax increase**.
- Switching from EBITDA to EBIT makes it **more expensive for businesses to invest in America**, resulting in slower job creation, smaller wage increases and lower overall economic growth.
- The U.S. is now an **international outlier on business interest deductibility**, with no other developed country basing the deduction on EBIT.
- Returning to an interest deduction based on 30% of a business’ EBITDA would create nearly **10,000** American jobs.

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