



American Association of Oral and Maxillofacial Surgeons
Oral and maxillofacial surgeons:
The experts in face, mouth and jaw surgery®

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November 27, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232 The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 The Capitol
Washington, D.C. 20510

Dear Speaker Ryan and Majority Leader McConnell:

On behalf of the more than 9,500 oral and maxillofacial surgeons (OMSs) in the United States, I applaud your efforts to tackle much needed comprehensive reform of our nation's tax code system.

The majority of OMSs are small business owners with most of those operating as S corporations. Several provisions in the House and Senate tax bills will directly impact their practices. As such, AAOMS would like to offer several suggestions for any final tax bill. Specifically, that it:

- Allow free standing dental corporations, such as oral and maxillofacial surgery practices, to qualify for the benefits allowed to S corporations. The House-passed bill currently provides for a 25 percent maximum rate on the business income of individuals but effectively precludes the aforementioned businesses from taking full advantage of the deduction. The Senate bill also treats these businesses in the same manner with respect to qualifying for the 17.4 percent deduction on certain pass-through income. An oral and maxillofacial surgery office, for example, employs a number of highly skilled staff and has significant capital costs; therefore, such practices should be given the same consideration under this provision that other non-service businesses will receive. Furthermore, we support making these tax benefits permanent as both bills provide permanent tax benefits to C corporations.
- Omit provisions from the House-passed bill that would repeal the student loan interest deduction or repeal the deduction for tuition and related expenses and employer-provided education assistance. Nearly all OMS residents, with their limited incomes, qualify for the student loan interest deduction. These tax deductions — especially when added together — can help provide relief from the high cost of student debt during a time when OMSs are making little during residency and making decisions about where to practice, including whether they can afford to practice in an underserved area.
- Include an increase in maximum expensing limits under Section 179, with the House bill's higher limits being most preferred.
- Allow taxpayers to immediately expense 100 percent of the cost of qualified property as provided for in both bills.
- Shorten the recovery period for determining the depreciation deduction for non-residential property as included in the Senate bill.

- Include a provision to repeal the Medical Device Tax. Repealing the tax has been a bi-partisan issue since the Affordable Care Act was enacted. Time is of the essence because the moratorium on the tax expires at the end of the year.

Thank you for your consideration. AAOMS believes that once the above changes are made to the final bill, it will provide our members who are small business owners with significant relief. Please contact Ms. Jeanne Tuerk of the AAOMS Governmental Affairs Department at 847-233-4321 or jtuerk@aaoms.org if you or your staff have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett L. Ferguson". The signature is written in a cursive style with a large, stylized initial "B".

Brett L. Ferguson, DDS, FACS
President