



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

9700 W. Bryn Mawr Ave.
Rosemont, IL 60018-5701

847-678-6200
800-822-6637
fax 847-678-6286

AAOMS.org

Brett L. Ferguson, DDS, FACS
President

Scott Farrell, MBA, CPA
Executive Director

December 11, 2017

Dear Senate and House Tax Reform Conferees:

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-passed bill also treats these businesses in the same manner with respect to qualifying for the 23 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.
- Repeal the individual and corporate Alternative Minimum Tax as called for in the House-passed bill.
- Omit provisions included in 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-passed bill's higher limits being most preferred.
- Allow taxpayers to immediately expense 100 percent of the cost of qualified property with the Senate-passed bill's expanded phase down being most preferred.
- Shorten the recovery period for determining the depreciation deduction for non-residential property as included in the Senate-passed bill.
- Include a provision to repeal the Medical Device Tax. Repealing the tax has been a bipartisan 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 "B" and "F".

Brett L. Ferguson, DDS, FACS
President