



Center for a Free Economy

July 2, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Johnson:

The Center for a Free Economy is pleased to endorse H.R. 1, the “One Big Beautiful Bill Act (OBBBA).” The bill avoids the largest net tax hike in history, and adds on additional tax relief for families and employers. OBBBA is the largest spending cut in the history of budget reconciliation, even after adjusting for inflation. It makes needed savings to Medicaid, SNAP, and Obamacare by rooting out waste, fraud, and abuse.

There are two provisions to highlight which CFE worked on in OBBBA, and we are particularly proud to support.

First, OBBBA makes permanent President Trump’s tax relief for America’s Main Street employers, the 9 million S-corporations and partnerships as well as the 30 million sole proprietors our economy relies upon. The 37 percent top marginal tax rate is made permanent. The small business deduction is also made permanent.

Importantly, all businesses will continue to retain their ability to deduct state and local income taxes as an ordinary and necessary business expense. This enshrines the principle created by the Tax Cuts and Jobs Act of 2017 as later implemented by IRS Notice 2020-75.

The second area of policy victory to highlight is the expansion of health savings accounts (HSAs). **OBBBA makes all Obamacare bronze- and catastrophic-tier plans HSA-qualified. Direct primary care plans are HSA qualified, and fees associated with them are eligible for HSA qualified disbursement. And telehealth expenses will be permitted first-dollar in any HSA qualified plan, just like preventive care.**

In the future, we would like to secure all the HSA expansions contained in the original House version of OBBBA, not just those which survived the Senate. In particular, we would like to see HSA contribution eligibility expanded to working seniors. Additionally, it would be helpful to everyone if employers were permanently permitted to reimburse their employees' Obamacare premiums tax-free.

OBBBA makes sure that taxpayers have certainty, and in one fell swoop implements the entire domestic agenda of the Trump Administration. Failure to pass the bill is unthinkable, and is not an option. All Congressmen should support the bill before the July 4th holiday.

Sincerely,

A handwritten signature in dark ink that reads "Ryan Ellis". The signature is written in a cursive, flowing style.

Ryan Ellis
President
Center for a Free Economy