

September 28, 2025

Tom Barthold, Ph.D.  
Chief of Staff  
Joint Committee on Taxation  
502 Ford House Office Building  
Washington, D.C. 20515

Dear Mr. Barthold:

On July 4, 2025, President Trump signed Republicans' *One Big Beautiful Bill Act* (OBBBA) into law.<sup>1</sup> In addition to ripping away health care coverage and food assistance from millions of Americans,<sup>2</sup> this bill enacted numerous massive tax breaks for big corporations, including the permanent extension of 100% bonus depreciation.<sup>3</sup> I write to seek more information about OBBBA's extension of full bonus depreciation, which the Joint Committee on Taxation (JCT) has estimated will cost a whopping \$362.7 billion over ten years,<sup>4</sup> including the extent to which giant corporations have disproportionately benefited from this provision with little to no benefit for the American people or economy.

Bonus depreciation is a tax provision that allows companies to immediately deduct some or all of the cost of new business investments, such as the purchase of manufacturing equipment, software, and furniture, rather than deducting those costs over the estimated lifetime of those assets.<sup>5</sup> Specifically, 100% bonus depreciation allows companies to *fully* deduct those costs in the tax year in which they were incurred.<sup>6</sup> This policy was first implemented in 2010 as an intended temporary

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<sup>1</sup> One Big Beautiful Bill Act, Public Law 119-21.

<sup>2</sup> Center on Budget and Policy Priorities, "By the Numbers: Harmful Republican Megabill Will Take Health Coverage Away From Millions of People and Raise Families' Costs," June 20, 2025, <https://www.cbpp.org/research/health/by-the-numbers-senate-republican-leaderships-health-agenda-takes-health-coverage>.

<sup>3</sup> KBKG, "OBBA Tax Bill Makes 100% Bonus Depreciation Permanent – What You Need to Know," Gian Pazzia, July 9, 2025, <https://www.kbkg.com/feature/obba-tax-bill-makes-100-bonus-depreciation-permanent-what-you-need-to-know>; Institute for Taxation and Economy Policy, "Analysis of Tax Provisions in the Trump Megabill as Signed into Law: National and State Level Estimates," Steve Wamhoff, Carl Davis, Joe Hughes, and Jessica Vela, July 22, 2025, <https://itep.org/tax-provisions-in-trump-megabill-national-and-state-level-estimates/>.

<sup>4</sup> Joint Committee on Taxation, "Estimated Revenue Effects Relative To The Present Law Baseline Of The Tax Provisions In 'Title VII – Finance' Of The Substitute Legislation As Passed By The Senate To Provide For Reconciliation Of The Fiscal Year 2025 Budget," July 1, 2025, <https://www.jct.gov/publications/2025/jcx-35-25/>.

<sup>5</sup> KBKG, "OBBA Tax Bill Makes 100% Bonus Depreciation Permanent – What You Need to Know," Gian Pazzia, July 9, 2025, <https://www.kbkg.com/feature/obba-tax-bill-makes-100-bonus-depreciation-permanent-what-you-need-to-know>.

<sup>6</sup> *Id.*

economic stimulus in the aftermath of the Great Recession, and Congress allowed it to expire the following year.<sup>7</sup>

However, President Trump’s 2017 tax law reinstated 100% bonus depreciation from 2018 through 2022<sup>8</sup> in what amounted to a massive corporate giveaway. This tax break ultimately “saved nearly \$67 billion for 25 of the corporations that benefited most,” including Google, Facebook, UPS, and Target.<sup>9</sup> And after extensive lobbying from billionaire-funded right-wing lobbying groups,<sup>10</sup> OBBBA reinstated 100% bonus depreciation permanently to the tune of hundreds of billions of dollars over the next decade.<sup>11</sup>

Full bonus depreciation is likely to disproportionately benefit large corporations. Even in the absence of 100% bonus depreciation, small businesses had already been able to deduct the full costs of their investments immediately through Section 179 of the tax code,<sup>12</sup> suggesting that full bonus depreciation will be an outsized boon to big business.<sup>13</sup> Empirical evidence backs up this logic: between 2018 and 2022, “two-thirds of the benefits [went] to corporations making over \$250 million in revenue.”<sup>14</sup> Further research has shown that “already profitable firms are the most likely users” of bonus depreciation.<sup>15</sup>

This is ineffective tax policy: bonus depreciation has “had little effect on overall U.S. business investment”<sup>16</sup> and “[o]verall, did not appear to be very effective in providing” economic stimulus.<sup>17</sup> Some research, including surveys of corporate executives, indicates that companies

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<sup>7</sup> Bipartisan Policy Center, “The 2025 Tax Debate: What is Bonus Depreciation?,” Andrew Lautz, April 30, 2025, <https://bipartisanpolicy.org/explainer/the-2025-tax-debate-what-is-bonus-depreciation/>.

<sup>8</sup> *Id.*; Tax Cuts and Jobs Act, Public Law 115-97.

<sup>9</sup> Institute on Taxation and Economic Policy, “Corporations Reap Billions in Tax Breaks Under ‘Bonus Depreciation’,” Steve Wamhoff, Matthew Gardner, and Spandan Marasini, June 29, 2023, <https://itep.org/corporations-reap-billions-in-tax-breaks-under-bonus-depreciation/>.

<sup>10</sup> Letter from National Taxpayers Union, 60 Plus Association, The American Consumer Institute, et al. to Senator James Lankford and Rep. Jodey Arrington, March 24, 2025, <https://www.taxnotes.com/research/federal/legislative-documents/congressional-tax-correspondence/groups-support-bill-permanent-100-percent-bonus-depreciation/7rt87>.

<sup>11</sup> Joint Committee on Taxation, “Estimated Revenue Effects Relative To The Present Law Baseline Of The Tax Provisions In ‘Title VII – Finance’ Of The Substitute Legislation As Passed By The Senate To Provide For Reconciliation Of The Fiscal Year 2025 Budget,” July 1, 2025, <https://www.jct.gov/publications/2025/jcx-35-25/>.

<sup>12</sup> Institute on Taxation and Economic Policy, “The Failure of Expensing and Other Depreciation Tax Breaks,” Steve Wamhoff and Richard Phillips, November 19, 2018, <https://itep.org/the-failure-of-expensing-and-other-depreciation-tax-breaks>.

<sup>13</sup> *Id.*

<sup>14</sup> Ways & Means Committee Democrats, “GOP Tax Scam 2.0,” June 13, 2023, <https://americansfortaxfairness.org/wp-content/uploads/Dem-WaysMeans-TP-GOPTaxScam-6-13-23.pdf>.

<sup>15</sup> Tax Policy Center, “Should Congress Extend Bonus Depreciation?,” Thomas Brosy, December 21, 2022, <https://taxpolicycenter.org/taxvox/should-congress-extend-bonus-depreciation>.

<sup>16</sup> Congressional Research Service, “The Section 179 and Section 168(k) Expensing Allowances: Current Law, Economic Effects, and Selected Policy Issues,” Gary Guenther, February 7, 2024, <https://www.congress.gov/crs-product/RL31852>.

<sup>17</sup> Congressional Research Service, “Bonus Depreciation: Economic and Budgetary

rarely take depreciation tax breaks into account when making investment decisions, suggesting that these tax breaks largely subsidize investments that would have been made anyway.<sup>18</sup> And the structure of OBBBA's bonus depreciation provision further belies Republicans' arguments that this provision will boost the economy: the extension of 100% bonus depreciation in OBBBA applies *retroactively* to costs incurred since January 19, 2025.<sup>19</sup> This blatant corporate handout will do nothing to encourage additional investments, as it is impossible to incentivize economic activity that has already happened.

Given the enormous cost of the permanent extension of 100% bonus depreciation and the limited evidence that this policy is anything but a massive windfall to large corporations, I request that you answer the following questions by October 12. Please answer questions 1, 2, 3, 4, and 5 with regard to (i) corporations and (ii) all companies.

1. Please provide a breakdown by industry of the benefits associated with 100% bonus depreciation when the policy was in effect between 2018 and 2022.
  - a. What are the five industries that benefited the most from 100% bonus depreciation?
  - b. About how much in costs were the technology, pharmaceutical, oil/gas, and defense industries able to accelerate due to 100% bonus depreciation?
  - c. Please provide a breakdown of the asset classes of property that companies wrote off through 100% bonus depreciation.
  - d. What is the estimated median "life cycle" of the assets that companies wrote off through 100% bonus depreciation?
2. How many companies had zero or negative tax liability between 2018 and 2022, in part due to 100% bonus depreciation (i.e., if bonus depreciation had not been enacted, they would have had positive liability)?
3. How many companies do you estimate will have negative or zero tax liability in 2025 or 2026 in part due to the extension of 100% bonus depreciation?
4. In 2025 and 2026, how much in costs are the technology, pharmaceutical, oil/gas, and defense industries projected to accelerate due to 100% bonus depreciation?
5. In each year from 2018 to 2022, what is the percentage of the benefit, as well as the size of the benefit in dollars, from 100% bonus depreciation that accrued to companies with gross receipts exceeding:

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Issues," Jane G. Gravelle, October 17, 2024,


[https://www.congress.gov/crs\\_external\\_products/R/PDF/R43432/R43432.7.pdf](https://www.congress.gov/crs_external_products/R/PDF/R43432/R43432.7.pdf).

<sup>18</sup> Institute on Taxation and Economic Policy, "The Failure of Expensing and Other Depreciation Tax Breaks," Steve Wamhoff and Richard Phillips, November 19, 2018, <https://itep.org/the-failure-of-expensing-and-other-depreciation-tax-breaks>; Center on Budget and Policy Priorities, "Ineffective 'Bonus Depreciation' Tax Break Should Remain Expired," Chuck Marr and Brandon DeBot, July 8, 2014, <https://www.cbpp.org/research/ineffective-bonus-depreciation-tax-break-should-remain-expired>.

<sup>19</sup> KBKG, "OBBA Tax Bill Makes 100% Bonus Depreciation Permanent – What You Need to Know," Gian Pazzia, July 9, 2025, <https://www.kbkg.com/feature/obba-tax-bill-makes-100-bonus-depreciation-permanent-what-you-need-to-know>.

- a. \$1 million
  - b. \$10 million
  - c. \$50 million
  - d. \$100 million
  - e. \$500 million
  - f. \$1 billion
6. What would have been the annual revenue effects of the extension of 100% bonus depreciation from 2025 to 2029 had the policy only applied to costs incurred after July 4, 2025, rather than being applied retroactively?

Sincerely,



Elizabeth Warren  
United States Senator