

Major Industries Rely On Debt Financing, Making Interest Deductibility Essential For Growth

Businesses across the U.S. economy depend on the deductibility of interest to finance investment that creates jobs and expands the economy.



Agriculture:

- Many family-owned farming operations rely on credit in the form of operating and inventory loans. Whether it's buying a new tractor or making it through a poor crop season, interest deductibility helps American farmers cultivate the food and products that fuel our nation.



Manufacturing:

- When opening a new plant, filling a large order, or purchasing new plants and equipment, manufacturing companies often depend on borrowing to help expand their operations and create American-made products.



Telecommunications:

- The telecommunications industry has been a key driver of American innovation. In order to take advantage of ever-improving capabilities, companies borrow to help with the costs of installing and implementing new technologies (e.g. installing fiber optic cables).



Construction:

- The construction industry will be the keystone of Congress' and the administration's plans to overhaul infrastructure. Thanks to interest deductibility, construction companies can afford to borrow to complete important projects, from new buildings to updated bridges.



Real Estate:

- Real estate transactions are very rarely conducted using cash-on-hand. Because real estate investments are income-producing, buyers typically borrow to finance the up-front costs of acquiring real estate, using future proceeds to repay loan costs.



Healthcare:

- Access to capital is critical to fund innovation and develop new technology. Smaller, early-stage, innovative healthcare companies are heavily reliant on borrowing. Without the ability to efficiently access capital, innovation and growth in the sector would suffer.



Utilities:

- The U.S.' energy and utilities grids are the most advanced in the world. The significant investments required to reach all users with these services, as well as to upgrade these services to meet future demands, requires access to credit; interest deductibility makes these tasks feasible.



Small Business:

- Every Fortune 500 company started as a small business. With four out of five small businesses relying on debt financing,* interest deductibility is essential to ensuring the next wave of great businesses starts here in the U.S.