SSTBs & The “One Big Beautiful Bill” — Chiropractic & Small Business Impact Brief

Summary

The proposed tax reform package, known as the “One Big Beautiful Bill,” includes provisions that would significantly disadvantage small business owners in specified service trades and businesses (SSTBs), including chiropractic physicians, by eliminating a critical state and local tax (SALT) deduction currently available at the pass-through entity level.

Background

The 2017 *Tax Cuts and Jobs Act* (TCJA) created vital tax parity between large C-Corporations and small businesses organized as pass-through entities (e.g., S-Corps, partnerships, LLCs). This allowed small businesses to deduct state and local taxes (SALT) paid at the business entity level, enabling these practices to reinvest, hire, and grow.

The current proposal would **roll back this benefit for SSTBs**, removing the SALT deduction while leaving it intact for large corporations. This places community healthcare providers like chiropractors at a distinct disadvantage compared to larger competitors.

What is an SSTB?

Under IRS rules, SSTBs are businesses whose income is primarily tied to the skill or reputation of their owners or employees. Chiropractors, along with other health care providers, attorneys, accountants, financial advisors, consultants, and similar professionals, fall into this category.

The Problem

- The proposal **removes SALT deduction eligibility for SSTBs**, subjecting small businesses to double taxation: federal income taxes plus state and local taxes that cannot be deducted.
- SSTBs were already excluded from the full 20% Qualified Business Income (QBI) deduction under prior law if income exceeded certain thresholds.
- Without the SALT deduction, these businesses face significantly higher federal tax burdens, directly impacting their ability to serve patients, hire staff, and reinvest locally.

Impact on Chiropractors and Other Small Businesses

- **Raises Taxes** on chiropractic practices, clinics, and other small healthcare providers.
- **Hurts Patients** by diverting resources away from care and limiting practice expansion.
- **Benefits Large Corporations** that are allowed to continue deducting SALT at the corporate level.
- **Contradicts the Original TCJA Purpose**, which sought to level the playing field for all business structures.

Key Messaging Points

- Congress should support **tax fairness for all businesses**, regardless of size or structure.
- Small, community-based healthcare providers like chiropractors should not face additional tax burdens that threaten patient access and business sustainability.
- Large corporations continue to receive favorable tax treatment while small businesses lose critical deductions.
- **82% of voters across party lines support equal tax treatment for small businesses.**

Action Steps for Members

1️⃣ Educate Yourself and Your Staff

- Review how this provision could impact your practice's tax liability.
- Consult your accountant or tax advisor for specific financial implications.

2️⃣ Contact Your U.S. Senators

- Share your personal story and explain how this proposal affects your practice, staff, and patients.
- Request that Senators oppose the removal of the SALT deduction for SSTBs in any final tax legislation.

3️⃣ Engage Your Professional Network

- Encourage colleagues in healthcare, including doctors of chiropractic, medical doctors, veterinarians, pharmacy, accountants, lawyers, and other SSTB professions, to contact their congressional representatives.

4️⃣ Amplify the Message

- Connect with other professional associations and local chambers of commerce to build awareness.
- Share facts and nonpartisan talking points on social media and newsletters.

Outline of the Issues - Handout for Chiropractic Leadership

PROTECT SMALL BUSINESSES IN TAX REFORM

The Issue: "One Big Beautiful Bill" - Tax Changes Targeting Small Businesses

Congress is considering a tax reform package that would **eliminate the state and local tax (SALT) deduction for Specified Service Trade or Businesses (SSTBs)** such as chiropractors, medical doctors, physical therapists, pharmacists, CPAs, and other small professional businesses.

If passed, this provision will:

- **Increase taxes** on chiropractic practices and other healthcare professionals.
- **Hurt patients** by reducing resources for staff, equipment, and services.
- **Benefit large corporations** while leaving small businesses behind.
- **Undermine the original purpose** of the 2017 Tax Cuts and Jobs Act, which sought parity between business structures.

Who is Affected? **The IRS defines SSTB (Specified Service Trade or Business)** as a business where the principal asset is the **reputation or skill** of one or more employees or owners.

Examples of SSTBs

- **Health Services:** Doctors, nurses, dentists, pharmacists, physical therapists, veterinarians, psychologists, chiropractors.
- **Law:** Attorneys, paralegals, arbitrators, mediators.
- **Accounting:** CPAs, bookkeepers, tax preparers.
- **Actuarial Science**
- **Consulting**
- **Financial Services:** Investment advisors, financial planners.
- **Brokerage Services:** Stock brokers (not real estate/insurance).
- **Performing Arts:** Musicians, actors, singers.
- **Athletics:** Professional athletes, coaches.
- **Investing & Investment Management**
- **Trading:** Securities, commodities, partnership interests.
- **Reputation-Based Services:** Businesses paid for endorsements, licensing, or appearances.

Other Key Facts

- Large corporations will continue receiving SALT deductions.
- Small, community businesses lose vital tax benefits.
- **82% of voters, across party lines, support equal tax treatment for small businesses.**

Requested Action

We urge Congress to:
✅ Protect small businesses and healthcare providers.
✅ Maintain the SALT deduction for ALL business structures.