

May 7, 2025

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

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Hakeem Jeffries
Democrat Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Democrat Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Johnson and Leaders Thune, Jeffries and Schumer:

On behalf of the National Retail Federation (NRF), I write today in honor of National Small Business Week in support of your efforts to enact economic policies that will grow our economy, and to share the concerns of retailers operating on Main Street in every community in the United States. Small retail businesses comprise 98% of all retailers and generate more than 13 million American jobs. They play a vital role in creating jobs, driving innovation and strengthening local communities.

NRF has represented retailers large and small for over 110 years. We stand ready to spend the time and resources necessary to help Congress and the administration to extend the Tax Cuts and Jobs Act of 2017, advocate for efforts to remove regulatory burdens on businesses, and labor reforms as well as supporting the push for energy dominance. And we believe that efforts that seek to ensure fair trade for American businesses and consumers is important for fostering growth and opportunity on behalf of U.S.-based industries.

Your local retailers are the first to hire young workers, support local causes and invest in underserved areas. Their continued economic success is closely tied to federal policies that encourage growth, investment and certainty. The most critical policy supporting retailers' success is the Tax Cuts and Jobs Act (TCJA). Since its enactment, the TCJA has provided certainty and tax reductions that have allowed small businesses to reinvest, raise wages and hire additional staff. Many of the provisions that benefit small businesses — such as the 20% pass-through deduction — are set to expire. NRF urges Congress to act swiftly to extend these provisions. Doing so will help sustain the momentum of small business growth and preserve a pro-business environment for years to come.

At the same time, we must share the growing concerns of NRF and small business owners regarding the impact of tariffs. The global 10% tariff and proposed reciprocal tariffs on our trading partners, when it takes effect, will be detrimental to small retail businesses. Many retailers — large and small — have undertaken great effort to diversify their supply chains and product suppliers. Many have sought to source outside of China, including closer to home in neighboring countries like Mexico and Canada. Global, reciprocal tariffs on these trading partners have created great uncertainty.

Significantly higher tariffs of 145% on China have begun to shut down imports and exports by U.S. businesses both small and large. Many small retailers depend on importing affordable inputs and finished goods to stay competitive. Tariffs are a tax on both small businesses and their consumers, which erode profit margins, forcing difficult pricing decisions, and threaten the survival of small businesses. A more strategic and targeted trade approach — one that addresses unfair practices while minimizing harm to U.S. small businesses and consumers — is urgently needed.

We understand that the administration is conducting negotiations with a number of countries during the 90-day pause on the reciprocal tariffs. However, there is great uncertainty as to what happens at the end of the 90-day pause if negotiations are not concluded. Now is the time when our nation's small businesses must decide whether to move forward with ordering consumer goods for the critically important back-to-school and winter holiday shopping seasons. Small retailers do not have access to robust credit lines to cover the tariffs currently in effect on China and several other nations. Therefore, they must make tough decisions about pausing or canceling orders, further limiting investments they make on behalf of your communities, and leaving a significant amount of U.S. capital overseas as they await further action from the administration.

NRF has compiled numerous personal stories from small retail business owners on the uncertainty and significant economic harm tariffs on imports from China and other countries are having on their businesses. We respectfully invite you to hear from these retailers, in their own words, the challenges they are facing by visiting our [“Tariffs Threaten the American Dream”](#) webpage.

We ask Congress to prioritize small businesses and focus on their economic viability by:

1. Working quickly to extend the Tax Cuts and Jobs Act, including the pass-through business deduction;
2. Engaging with the administration to meaningfully reduce tariffs that disproportionately affect small retail businesses and American consumers; and
3. Continuing efforts to decrease the regulatory burdens on American entrepreneurs and ensure increased access to capital so small businesses may continue to innovate, invest and create jobs in your communities.

Thank you for your leadership and service to our country. NRF is ready to discuss these concerns further and support your efforts to grow and sustain the U.S. economy now and in the future.

Sincerely,



Matthew Shay
President and CEO
National Retail Federation

cc: Members of the U.S. House of Representatives
Members of the U.S. Senate