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Republican ‘Tax Reform 2.0’ Plan Leaves Majority of Small Businesses Out in the Cold

Statement by Frank Knapp, Jr. co-chair of Businesses for Responsible Tax Reform and founder and CEO of the South Carolina Small Business Chamber of Commerce, on Republican’s latest tax reform plan

Washington, D.C., July 25, 2018—Tuesday, Congressional Republicans released a loose framework outlining their ideas to further alter the tax code, which, unfortunately, would only lock in disparities already put in place by the tax law they passed last year.

The “Tax Reform 2.0” plan, which would make the small business “pass-through” deduction permanent, doesn’t solve any of the issues the GOP’s tax law created for small businesses—in that it gives away the farm to the wealthiest businesses and leaves the majority of Main Street in the cold.

The Joint Committee on Taxation found that in 2018, 44 percent of the tax benefits for small businesses will go to just 200,000 Americans making $1 million or more. By 2024, millionaires will be receiving half of that tax relief.

This means 1 percent of small businesses are receiving the lion’s share of the benefit.

The framework is short on details, but what we’ve seen doesn't indicate it changes the deduction in any way to benefit a broader swath of small firms. The deduction simply isn’t enough for the vast majority of small business owners to invest in their companies, hire workers or give their employees raises.
According to our public opinion polling, 69 percent of small business owners said they would not hire as a result of the tax law and 59 percent said they would not give raises.

This is a naked political ploy during an election season to try to bolster support for an already unpopular law. Small businesses are tired of being used for political purposes. Lawmakers need to do something that actually helps our nation’s real job creators.

They need to create a plan that helps real small business owners invest in their business and take care of their employees.

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**About Businesses for Responsible Tax Reform**

Businesses for Responsible Tax Reform is a coalition of business leaders calling for tax reform that truly benefits America’s small business owners. We are dedicated to ensuring tax reform is fiscally responsible, creates a level playing field for all businesses, grows the economy and works for our nation’s 30 million small business owners. Learn more about us on our [website](#) and follow us on [Twitter](#) and [Facebook](#).