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GOP Plan to Vote ‘Tax Reform 2.0’ a Political Ploy That Would Lock in Inequities of Original Tax Law for Small Business

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 Speaker Ryan’s announcement that the House will vote on new tax bill this month

Washington, D.C., Sept. 6, 2018—House Republicans rolled out new details today on a second round of tax cuts in a naked attempt to boost lagging political support for Republicans before the midterm elections and will not help small businesses overcome the inequities created by the original tax law.

The tax law did little for the majority of Main Street small businesses, and instead added $1.9 trillion to the national debt in order to give corporations a 40 percent tax cut they didn’t need—which they’re now using to buy back stocks in record amounts instead of creating jobs, raising worker pay or fostering innovation.

Version 2.0 will likely make the tax law’s small business provisions permanent, locking in the disparities the GOP created in giving away the farm to the wealthiest businesses and leaving the majority of Main Street in the cold. Making the ineffective small business deduction permanent and blowing up the deficit isn’t what America’s job creators need.

The Joint Committee on Taxation found that in 2018, 44 percent of the tax benefits for small businesses from the original law 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.
Let’s not pretend this latest discussion is about jobs and the economy. It’s about politics ahead of the November elections. The national unpopularity of Republican Congressional candidates is a self-inflicted wound brought on when the GOP let corporations and the wealthy feast during the original round of tax cuts rather than creating a thoughtful plan that helped the middle class and our nation’s true job creators—small business. Taking votes on more tax cuts ahead of the election is pure politics, plain and simple, and isn’t what small businesses need from them.

Instead of doubling down on bad policy, lawmakers need to create a plan that gives Main Street small businesses an equal seat at the table and helps 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](#).