ICYMI: As GOP weighs ‘Tax Reform 2.0,’ Nearly 9 in 10 Small Businesses Say They Have no Plans to Hire Due to Current Tax Law

ZipBooks recently released a survey of 663 small business owners across the United States showing that 88 percent have made no changes to their hiring plans because of the new tax law. Tax Reform 2.0 would do nothing to change how small businesses were treated under original legislation.

Washington, D.C., Sept. 28, 2018—ZipBooks, an online accounting software company that serves more than 100,000 small businesses in the United States, has released a survey showing that the new tax law has had no impact on hiring plans for 88 percent of small business owners.

The online survey of 663 small business owners included respondents from a variety of industries—from carpet cleaners to e-commerce businesses—in every state in the nation.

“We asked, ‘What effect on your hiring plans has the Tax Cuts and Jobs Act had,’” said Jaren Nichols, ZipBooks’ Co-Founder and chief operating officer. “The overwhelming response was ‘none at all.’ In fact, 5 percent said they planned to do less hiring. Clearly our customers are not boosting their hiring plans due to the tax law, as many lawmakers had promised would happen.”

The tax law gives most small businesses a temporary 20 percent deduction on income, versus the 40 percent permanent tax rate cut it gave to corporations. Businesses for Responsible Tax Reform’s earlier polling shows that small business owners do not think the meager deduction gives them the ability to grow their own businesses. In that survey, 69 percent of small business owners said they would not hire as a result of the tax law.

“The ZipBooks survey confirms our own research and what we have heard from countless business owners—this tax law does nothing for them, while giving away the farm to large corporations,” said Businesses for Responsible Tax Reform Co-Chair Frank Knapp, Jr. “There’s no reason tax cuts have to favor large corporations and the wealthy. Tax plans can be made to help the middle class and small business owners.
“But right now, the House of Representatives is considering legislation that would lock in a dynamic that does little to help small businesses grow and hire. Instead of doubling down on bad policy, lawmakers must create a plan that gives Main Street small businesses an equal seat at the table and helps small business owners invest in their businesses and their employees,” said Knapp, who also is the CEO and founder of the South Carolina Small Business Chamber of Commerce.

To speak to Businesses for Responsible Tax Reform Co-Chair Frank Knapp, Jr. or ZipBooks COO Jaren Nichols about the survey or the tax law’s impact on small businesses, please contact Conan Knoll at conan@emcstrategies.com or 831-524-6764.

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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.