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Small Business Leaders Form Coalition to Combat Irresponsible Tax Reform

Business leaders from across the country join together to speak out against tax proposals under consideration in Congress that they believe disproportionately favor big business and do little to strengthen small businesses — our nation’s job creators.

Nov. 14, 2017—A new small business coalition launched today to give voice to small business leaders’ concerns as Congress advances irresponsible tax reform proposals that disproportionately favor big business while doing little for job creation.

Businesses for Responsible Tax Reform is a coalition of business leaders calling for tax reform that truly benefits America’s small business owners. It is dedicated to ensuring tax reform is fiscally responsible, creates a level playing field for all businesses, grows the economy and works for the nation’s 30 million small business owners.

The coalition is being led by co-chairs Ron Busby, president of the US Black Chambers, Inc., and Frank Knapp Jr., president of the South Carolina Small Business Chamber of Commerce.

“If the 2016 election was a referendum on the economy, then lawmakers should have job creation top of mind, and with it small businesses,” said Busby. “Common sense reforms to our nation’s outdated tax code would be a step in the right direction. Unfortunately, the proposals under consideration aren’t a boon for small business, they’re a bust.”

The coalition is circulating a sign-on letter it plans to send to members of Congress stating the current tax reform proposals disproportionately help large businesses and do little to level the playing field for the bulk of small businesses — which have created nearly two-thirds of net new private sector jobs since the Great Recession, according to the Small Business Administration’s Office of Advocacy.

The sign-on letter states:
Corporations are getting a tax break from 35 to 20 percent at the expense of small businesses. A huge corporate tax cut is at the heart of the GOP’s tax reform
proposals and it’s being paid for by small entrepreneurs. For instance, corporations will still be able to deduct state and local taxes on their profits but the owners of small pass-through businesses will not. Moreover, in the House plan, 86 percent of small businesses get just a tiny fraction of the tax cut promised to corporations. To pay for these massive cuts, proposals would eliminate or cap deductions that middle class small business owners rely on, including for home office expenses, tax preparation, state and local taxes and mortgage interest.

**The proposals do nothing to level the playing field for small businesses.** They significantly lower the corporate tax rate but fail to close many loopholes big businesses use to avoid paying taxes, such as their ability to shift profits overseas in search of lower tax rates. The proposals also do little to simplify the code, and actually make it more complex for the more than 90 percent of small businesses that organize their firms as pass-through entities. This means owners will continue to sink time and money into complying with a byzantine and bewildering tax code, further tilting the playing field in favor of large corporations that can afford armies of accountants to search out every loophole and advantage.

**The proposals needlessly balloon the deficit.** The current tax proposals would increase the deficit by more than $1.5 trillion. A ballooning deficit is bad for business by driving interest rates higher, discouraging investment and becoming a drag on economic growth. During a time of relative economic strength, unbridled deficit spending – and the risks it poses to the economy – is unneeded and irresponsible.

“To truly jumpstart the economy, Congress must stand up for the mom-and-pop type businesses that drive job creation, not big business interests looking for yet another juicy tax break that leaves middle-class small business owners holding the bag,” said Frank Knapp Jr., president of the South Carolina Small Business Chamber of Commerce. “Small business owners are coming together to tell Congress to stand up for America’s job creators and get it right.”

For more information, visit [https://www.businessesfortaxreform.org/](https://www.businessesfortaxreform.org/).

**About Businesses for Responsible Tax Reform**

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