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NSBA Announces Top Priorities from the 2007 Small Business Congress

Washington, D.C. — NSBA members have set the top small-business priorities for the 110th Congress from the biennial Small Business Congress, held Feb. 15-17 in Scottsdale, Ariz. Concern about the new burdens that could be imposed by efforts to close the so-called “tax gap” rocketed that issue to the very top of the list.

1. Tax Gap/New Tax Administration and Enforcement Burdens
2. Broad Health Care Reform
3. Small-Business Tax Equity
4. SBIR Reauthorization and Increased Percentage
5. Small-Business Contracting
6. Access to Capital
7. Estate Tax
8. Immigration Reform
9. Regulatory Reform
10. Family Medical Leave Act

As a result of the new concern and emphasis on the “tax gap,” NSBA will be launching an initiative to ensure that small-business owners do not fall victim to burdensome and invasive reporting and withholding requirements—and IRS enforcement techniques—that could be imposed through proposals to address the “tax gap.” Many of these proposals would place excessive and intrusive burdens on honest small-business owners without meaningfully addressing the root causes of unpaid taxes. Instead, NSBA believes that simplification of the tax code will serve to significantly narrow any “tax gap” and reduce noncompliance.

“We firmly believe that the IRS has misinterpreted its data and has reached an erroneous conclusion about where the ‘tax gap’ lays,” NSBA Chair Grafton “Cap” Willey said. “We do not condone the non-payment of tax obligations—most small businesses are honest, hard working organizations that are critical to the economic success of the American economy.”

The centerpiece of the organization’s next priority, broad health care reform, is its landmark health care proposal. NSBA’s health care proposal urges broad reform of the system that will reduce health care costs while improving quality, bring about a fair sharing of health care

costs, and focus on the empowerment and responsibility of individual health care consumers. More information about the proposal is available at nsba.biz/healthreform.

NSBA continues to take a leadership role on tax equity for small-business owners through the Coalition Supporting Equity for Our Nation's Self-Employed. NSBA supports small-business tax equity, including elimination of the self-employment tax on health care, establishment of pension contribution parity, and an end to the owner exclusion from cafeteria plans.

NSBA's landmark report on tax equity, entitled "The Internal Revenue Code: Unequal Treatment Between Large and Small Firms," details a broad array of tax policies that discriminate and act as a disincentive to entrepreneurship.

"Our *Tax Equity Report* of a few years ago proved that small business pays more than its share of federal taxes," Willey said. "Small business is an easy target since many small-business owners cannot afford to employ teams of accountants and lawyers to fight their cases."

The report can be found at http://www.nsba.biz/docs/nsba_tax_equity_report.pdf

The complete priority issue statements are as follows:

1. Tax Gap

NSBA opposes burdensome and invasive reporting and withholding requirements -- and IRS enforcement techniques -- that could be imposed on small business by proposals to address the "tax gap." Many of these proposals would place excessive and obtrusive burdens on honest small-business owners without meaningfully addressing the root causes of tax avoidance. Instead, NSBA believes that simplification of the tax code will serve to significantly narrow the tax gap and reduce noncompliance.

2. Broad Health Care Reform

NSBA's health care proposal urges broad reform of the system that will reduce health care costs while improving quality, bring about a fair sharing of health care costs, and focus on the empowerment and responsibility of individual health care consumers.

3. Tax Equity

NSBA supports small-business tax equity, including: elimination of the self-employment tax on health care, establishment of pension contribution parity, and an end to the owner exclusion from cafeteria plans.

4. SBIR Reauthorization and Increased Percentage

NSBA urges Congress to build upon the successes of the Small Business Innovation Research (SBIR) program during its reauthorization process and increase the percentage of agencies' research and development funds reserved for small businesses.

5. Small-Business Contracting

NSBA urges Congress and the administration to pursue policies that encourage wide participation in government contracting, eliminate fraud, ensure accurate and reliable data, end contract bundling, improve authority, transparency, and oversight over contracting dollars, and provide appropriate treatment of subcontractors.

6. Access to Capital

NSBA urges the administration and Congress to recognize the importance of small businesses to the nation's economy and strengthen policies that would increase these businesses' access to capital -- including improved start-up financing opportunities, a fully-funded 7(a) program, debt versus equity financing, international trade financing assistance, and interest-bearing checking accounts for small businesses.

7. Estate Tax

NSBA supports permanent estate tax relief. NSBA urges Congress to enact legislation to remove the burden of the estate tax from the country's small businesses and to ensure that high rates and low exemption levels do not return in 2011.

8. Immigration Reform

NSBA urges Congress, when addressing immigration reform to take into account the regulatory and financial burden imposed by over-reaching verification requirements and penalties. Reform should include "good-faith effort" language, leeway for inadvertent errors, certain flexibility in the allowable time frames, and ensure an appropriate workforce is available for small-business owners.

9. Regulatory Reform

NSBA urges Congress to improve the regulatory process as it relates to small businesses through enhanced cost-benefit analyses that take into account the indirect costs of proposed regulations, improved small-business assistance, increased flexibility and exemptions, streamlined paperwork, and improved information collection.

10. Family Medical Leave Act

NSBA urges Congress to oppose any move that would hinder an entrepreneur's ability to create jobs, such as mandatory sick time and reducing the employee threshold for FMLA compliance.

For 70 years, NSBA has been an advocate for the interests of small-business owners throughout the country. The organization, which reaches more than 150,000 small-business owners, is the oldest small-business advocacy organization in the United States.

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