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Pennsylvania House of Representatives
Majority Policy Committee

Rep. Martin Causer
Chairman

TO: House Republican Members

FROM: Rep. Martin Causer, Chairman

DATE: February 8, 2022

RE: **Roundtable Summary: National Federation of Independent Business (NFIB)**

Today, the House Majority Policy Committee held a roundtable discussion with the National Federation of Independent Business (NFIB) to discuss some of the challenges small businesses have faced and their position on several policy issues. Members heard from Greg Moreland, Pennsylvania state director of the NFIB; Warren Hudak, president of Hudak & Company; and Joseph Harford, founder and president of Reclamere.

Greg Moreland shared how NFIB, as a nonprofit, nonpartisan organization, promotes and advocates for the growth of small businesses. On average, the NFIB member-businesses have 10 employees or less. He discussed how many small businesses in the Commonwealth are still struggling from the residual impacts of the pandemic. Supply chain issues, wage costs, inflation, taxes and retirement savings for employees are some of the issues small businesses experience on a day to day basis. NFIB and its respective member-businesses have concerns about implementing reporting mandates and regulatory changes that would take away financial resources and their ability to be innovative with solutions that work best for them. During the discussion, the NFIB also shared its opposition to the Auto-IRA/Keystone Saves program, as well as support for a permit tracking mechanism that allows businesses to see the precise status of their permit application (if people can track packages shipped by retail sellers, business owners should be able to track their permit).

Warren Hudak discussed concerns about tax compliance and overall changes to the taxing system. Many small businesses experience costly government-imposed burdens because they do not have the staff and resources available to handle these important functions. Mr. Hudak shared how some businesses were unable to financially recover from the governor's business closures and the massive loss of revenues they sustained as a result of strict governmental oversight and business classifications. Throughout the pandemic, Mr. Hudak and his company helped complete over 400 business loan applications. He stated that while he believed the COVID-19 financial relief programs were well intentioned, "the government was bad at picking winners and losers." He continuously noticed how some businesses received enough support, while others did not secure the necessary funds to remain operational. He believes a permanent program should be

created to help businesses that suffered losses. Other issues such as the Unemployment Compensation Trust Fund debt and the unemployment operation systems have reflected insolvencies that will require additional attention by the Legislature and governmental agencies. He also discussed how the current collection method for local taxes needs to be updated, along with implementing uniformity of local taxes and national standards for collections.

Joseph Harford informed members about the many uncertainties his employees have brought to his attention. Employees are unsure of their short- and long-term savings goals and are concerned about their ability to fill current positions. They also shared concerns about future positions and how to address the rising costs of inflation. According to Mr. Harford, there will be a 0% unemployment rate in the IT workforce the next 25 years because of the high demand for these specific jobs. Employee options such as working from home and an increase in wages due to changes in the market allow for businesses to determine creative solutions to sustain and promote their workforce. There is “no one size fits all approach” when it comes to businesses and it is imperative for small businesses to have the ability to decide what works best for their employees and within their sector. He urged the importance of working together to come up with solutions to assist small businesses across the Commonwealth.