



# Small Business GROWTH AGENDA

FOR THE 117TH CONGRESS

## WHO IS NFIB?

NFIB is the nation's leading small-business advocacy organization, with offices in Washington, D.C., and all 50 state capitals. NFIB's mission is to promote and protect the right of our members to own, operate, and grow their businesses.

Founded in 1943, as a nonprofit, nonpartisan organization, NFIB developed into a powerful network of grassroots activists who send their small business views to federal and state lawmakers through our member-only "one member, one vote" ballot process and NFIB Research Center. The results of our member ballots and research guide NFIB's policy positions and make NFIB a member-driven and research-backed organization.

NFIB provides a platform for small and independent business owners' voices in shaping the public policy issues that affect their businesses. These American entrepreneurs serve as the crucial links that securely hold America's economy together in good times and bad. Small businesses are America's job creators.

SMALL  
BUSINESSES  
MAKE UP



OF U.S. EMPLOYER  
BUSINESSES

## SMALL BUSINESS ECONOMY OVERVIEW

- Small businesses make up 99.9% of U.S. employer businesses.<sup>i</sup>
- In 2017, there were 6 million small-employer businesses and 25.7 million non-employer small businesses. There were 20,139 large businesses.
- From 2000 to 2019, small businesses created 10.5 million net new jobs while large businesses created 5.6 million. Small businesses accounted for 65% of net new job creation in that period.
- In 2017, small businesses generated 1.6 million net new jobs and employed about half of all private-sector employees.<sup>ii</sup>

# TOP LEGISLATIVE PRIORITIES

## Small Business Recovery

NFIB supports efforts to help small businesses recover from the public health and economic crisis because the overall economy cannot thrive without a robust small business economic recovery. NFIB opposes unrelated small business mandates that threaten the small business economic recovery.

## Taxes

NFIB advocates to protect small business owners from tax increases, make the small business and individual portions of the tax code permanent, and simplify the tax code.

## Labor

NFIB opposes expanding and extending burdensome mandates and overzealous regulatory enforcement on small business owners.

## Regulations

NFIB supports proposals to reform the regulatory process by strengthening small business input and opposes adding new regulatory burdens on small businesses.

## Healthcare

NFIB supports affordable, flexible, and predictable health insurance options for small business owners and employees.

# SMALL BUSINESS RECOVERY

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**Congress passed the *Consolidated Appropriations Act of 2021*, which contained many pro-small business provisions supported by NFIB.**

- **NFIB Members Said:** An NFIB survey from December 2020 showed there was an urgent need for additional financial assistance legislation as one-in-four (25%) small business owners reported that they will have to close their doors if poor economic conditions did not improve over the next six months.<sup>iii</sup>
- In an NFIB survey from January 2021, most small business owners do not expect business conditions to improve to normal levels until later in 2021 at the earliest. Just 5% of owners report that conditions are back to normal now.<sup>iv</sup>

## TAXES

NFIB advocates to protect small business owners from tax increases, make the small business and individual portions of the tax code permanent, and simplify the tax code.

### **NFIB supports making permanent and expanding the Small Business Deduction (Section 199A), the *Main Street Tax Certainty Act*.**

- **NFIB Members Said:** As NFIB's *Small Business Problems and Priorities* surveys have noted repeatedly throughout the decades, taxes remain a top concern for small business owners.<sup>v</sup>
- In an NFIB Member Ballot, 91% of NFIB members support permanently extending the tax cuts for individuals and small businesses established in the 2017 federal tax law. In an NFIB Research Center survey entitled, *The TCJA One Year Later: Part II*, 81% of small business owners believe the Small Business Deduction is important.<sup>vi</sup>

### **NFIB supports extending the current estate tax exemption thresholds and existing estate tax planning tools, specifically step-up in basis.**

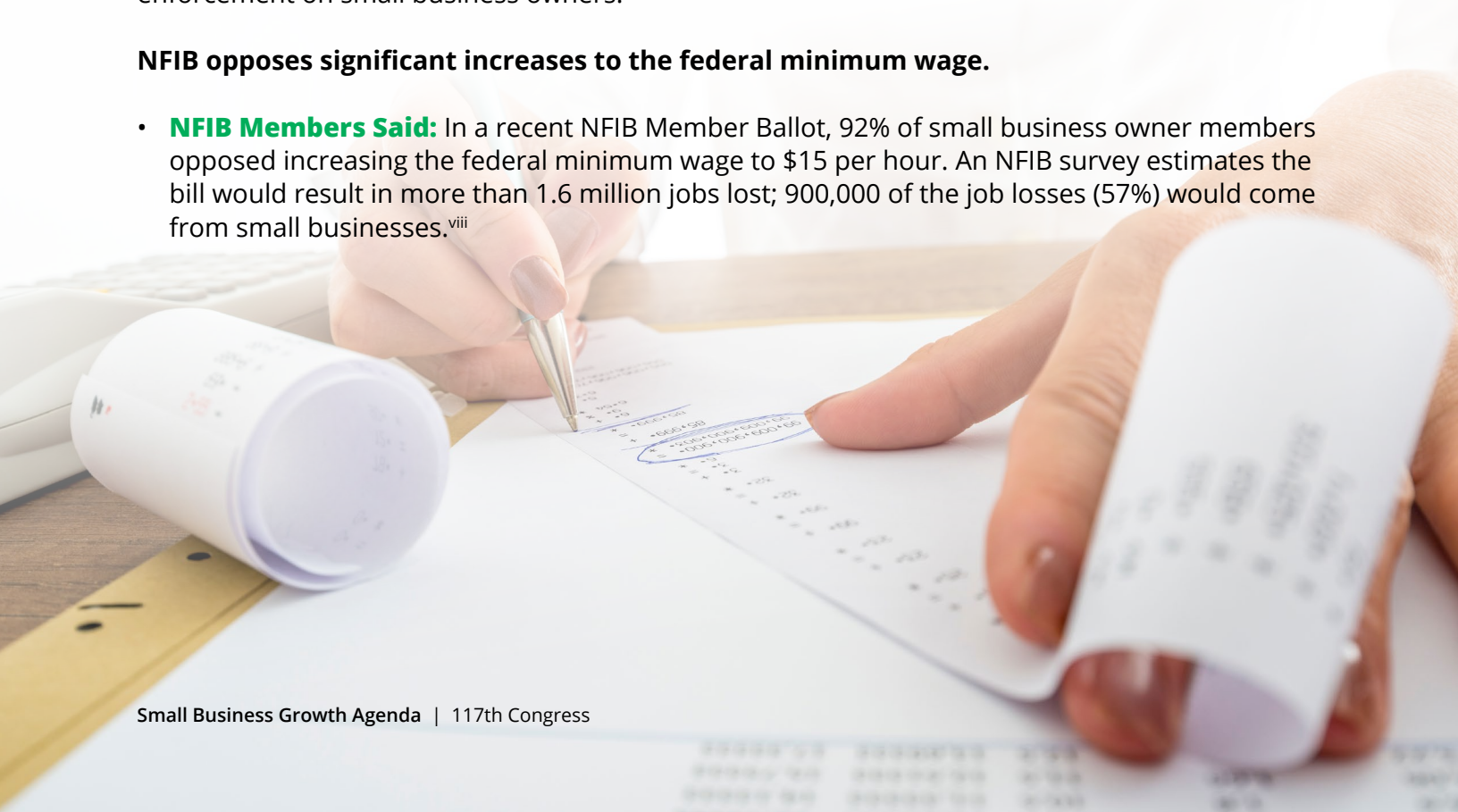
- **NFIB Members Said:** In an NFIB Research Center survey entitled, *The TCJA One Year Later: Part II*, 44% of small business owners view the estate tax as a very important issue. A relatively small percentage of business owners end up paying the estate tax but many more seek professional guidance on how to prepare for it or evaluate the likelihood of being affected by it in the future.<sup>vii</sup>

## LABOR

NFIB opposes expanding and extending burdensome mandates and overzealous regulatory enforcement on small business owners.

### **NFIB opposes significant increases to the federal minimum wage.**

- **NFIB Members Said:** In a recent NFIB Member Ballot, 92% of small business owner members opposed increasing the federal minimum wage to \$15 per hour. An NFIB survey estimates the bill would result in more than 1.6 million jobs lost; 900,000 of the job losses (57%) would come from small businesses.<sup>viii</sup>



## LABOR (CONTINUED)

### **NFIB opposes expansions of paid leave mandates.**

- **NFIB Members Said:** While there continues to be a paid leave tax credit to help offset the mandate, it is undersubscribed with only 41% of affected small businesses claiming the credit, according to NFIB research.
- Many small businesses simply lack the resources and cash flow to provide paid leave, even with the availability of the credit.<sup>ix</sup>

### **NFIB opposes proposals that would increase small business owner compliance burdens and increase small business owners' legal liability, such as the *Paycheck Fairness Act*, which would potentially subject small business owners to lawsuits that would be almost impossible to defend.**

- **NFIB Members Said:** According to NFIB's 2020 *Small Business Problems and Priorities* survey, "Unreasonable Government Regulations" ranked as the sixth most important problem facing their small business.<sup>x</sup>

### **NFIB also opposes proposals to upend existing employment law to the detriment of small business owners, such as the *Protecting the Right to Organize (PRO) Act*.**

- **NFIB Members Said:** Recent NFIB Member Ballots show 79% of NFIB members agree that employers should not be required to recognize unions by way of signed authorization cards, 73% of NFIB members support a national right-to-work law, and 95% of NFIB members believe small businesses should be able to hire independent contractors to perform tasks essential to their business.

## REGULATIONS

NFIB supports proposals to reform the regulatory process by strengthening small business input and opposes adding new regulatory burdens on small businesses.

### **NFIB supports regulatory reform proposals, including the *Regulatory Flexibility Improvements Act*, and expanding Small Business Advocacy Review (SBAR) Panels to all agencies (currently only EPA, OSHA, and CFPB must conduct SBAR Panels).**

- **NFIB Members Said:** According to NFIB's 2020 *Small Business Problems and Priorities* survey, "Unreasonable Government Regulations" ranked as the sixth-most important problem facing their small businesses.<sup>xi</sup>
- In an NFIB Member Ballot, 85% support requiring regulatory agencies to consider the indirect cost and impact of regulations on small businesses.

# HEALTHCARE RELIEF

NFIB supports affordable, flexible, and predictable health insurance options for small business owners and employees.

**NFIB supports codifying and expanding the ability of small businesses to provide contributions for employees through Individual Coverage Health Reimbursement Arrangements (ICHRA) and equalizing the tax treatment between employer sponsored plans and individual coverage.**

**NFIB also supports eliminating federal health insurance mandates and burdens that are unnecessary, increase costs, and serve as an impediment to small business growth.**

- **NFIB Members Said:** According to the NFIB's 2020 *Small Business Problems and Priorities* survey, the cost of health insurance is the number one small-business problem, a position it has held for almost 40 years. Moreover, 51% of small business owners cite the issue as critical, generally unchanged since implementation of the *Affordable Care Act*.<sup>xii</sup>
- In the last decade, health insurance costs for small firms have risen 42%, outpacing wages and inflation. As costs have increased, the number of small firms offering health insurance has steadily declined from 41% in 2009 to a current rate of 30%.<sup>xiii</sup>

<sup>i</sup> SBA Office of Advocacy, Frequently Asked Questions About Small Business, 2020, <https://cdn.advocacy.sba.gov/wp-content/uploads/2020/11/05122043/Small-Business-FAQ-2020.pdf>.

<sup>ii</sup> SBA Office of Advocacy, Small Business Economic Profile, 2020, <https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04144224/2020-Small-Business-Economic-Profile-US.pdf>.

<sup>iii</sup> NFIB Research Center, COVID-19 Small Business Survey (14) – PPP, EIDL, the Economy, and the Vaccine, December 6-11, 2020, <https://assets.nfib.com/nfibcom/Covid-19-14-Questionnaire-Write-up-FINAL-Web.pdf>.

<sup>iv</sup> NFIB Research Center, COVID-19 Small Business Survey (15) – PPP, ERTC, the Economy, the Vaccine, and Minimum Wage, January 28-31, 2021, [https://assets.nfib.com/nfibcom/Covid-19-15-Questionnaire\\_.pdf](https://assets.nfib.com/nfibcom/Covid-19-15-Questionnaire_.pdf).

<sup>v</sup> NFIB Research Center, Small Business Problems and Priorities, July 2020, <https://assets.nfib.com/nfibcom/NFIB-Problems-and-Priorities-2020.pdf>.

<sup>vi</sup> NFIB Research Center, The Tax Cuts and Jobs Act, One Year Later, Part II. September 2019, <https://strgnfibcom.blob.core.windows.net/nfibcom/2019-TCJA-One-Year-Later-final.pdf>.

<sup>vii</sup> Ibid.

<sup>viii</sup> NFIB Research Center, Economic Effects of Enacting the Raise the Wage Act on Small Businesses and the U.S. Economy, January 25, 2019, [https://www.nfib.com/assets/NFIB\\_BSIM\\_RAISETHEWAGEACT-1.pdf](https://www.nfib.com/assets/NFIB_BSIM_RAISETHEWAGEACT-1.pdf).

<sup>ix</sup> NFIB Research Center, COVID-19 Small Business Survey (15) – PPP, ERTC, the Economy, the Vaccine, and Minimum Wage, January 28, 2021, [https://assets.nfib.com/nfibcom/Covid-19-15-Questionnaire\\_.pdf](https://assets.nfib.com/nfibcom/Covid-19-15-Questionnaire_.pdf).

<sup>x</sup> NFIB Research Center, Small Business Problems and Priorities, July 2020, <https://assets.nfib.com/nfibcom/NFIB-Problems-and-Priorities-2020.pdf>.

<sup>xi</sup> Ibid.

<sup>xii</sup> Ibid.

<sup>xiii</sup> MEPS Insurance Component Chartbook 2019, Medical Expenditure Panel Survey, Agency for Healthcare and Research Quality, October 2020, [https://www.meps.ahrq.gov/data\\_files/publications/cb24/cb24.pdf](https://www.meps.ahrq.gov/data_files/publications/cb24/cb24.pdf).