



Small Business Survival – Tax Increases

Issue

The Administration has proposed the following tax changes:

- Increasing the corporate tax rate from 21% to 28%
- Increasing the income tax rate on passthrough businesses from 37% to 39.6% and broadening the impact of the tax
- Increasing Taxes at Death:
 - Repealing stepped-up basis
 - Taxing capital gains at death rather than point of sale
 - Increasing the top capital gains tax rate to 43.4%

Small Business Data

- As NFIB's *Small Business Problems and Priorities* surveys have noted repeatedly throughout the decades, taxes remain a top concern for small business owners.
- In an NFIB Member Ballot, 91% of NFIB members support permanently extending the 2017 tax cuts for individuals and small businesses.
- Small businesses make up 99.9% of U.S. employer businesses. In 2017, there were 6 million small-employer businesses and 25.7 million non-employer small businesses. There were 20,139 large businesses.
- In 2017, there were approximately 1.6 million C corporations (C-corps). Nearly all C-corps are small businesses - more than 1,087,000 C-corps reported business receipts of less than \$500,000 (69% of total C-corps).
- A 2021 study showed repealing the stepped-up basis would result in a total of 800,000 jobs lost and \$100 billion decrease in GDP over ten years.
- 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.

Take Action

- The small business economy's recovery is fragile; Congress should not break it with tax increases. NFIB wants to hear from you. Take our [Small Business Survival Tax Survey](#).
- [Tell Congress and the Administration](#) to protect small businesses from tax increases. Now is the time to remind Congress that small businesses cannot afford tax increases to finance an ambitious policy agenda, particularly after surviving the pandemic.