



## Small Business Survival – Tax Increases

### Issue

**The Administration and Congress have proposed the following tax changes:**

- Increasing the corporate (C-corp) tax rate from 21% to 28%
- Increasing the top income tax rate on passthrough businesses from 37% to 39.6%, broadening the reach of the tax, and limiting the Small Business Deduction (§199A)
- 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 from 23.8% to 43.4%

### Small Business Data

- NFIB's *Small Business Problems and Priorities* survey notes taxes remain a top concern for small business owners.
- Taxes rank only behind labor quality as the top small business problem in NFIB's *Small Business Economic Trends* survey from May.
- In an *NFIB Member Ballot*, 91% of NFIB members support permanently extending the 2017 tax cuts for individuals and small businesses.
- In 2017, there were approximately 1.6 million C corporations (C-corps). Most 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 estimated the repeal of stepped-up basis would result in a total of 800,000 jobs lost and \$100 billion decrease in GDP over ten years.
- According to an *NFIB Tax Survey*, 81% of small business owners said the Small Business Deduction was important for their business.
- 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.

Take Action [here](#) and Learn More at [NFIB.com/SmallBizSurvival](https://www.nfib.com/SmallBizSurvival).