



VIRGINIA SMALL BUSINESS RECOVERY PLAN

NFIB'S 2022 LEGISLATIVE PRINCIPLES

NFIB's *Virginia Small Business Recovery Plan* lays out four legislative principles to help ensure that the commonwealth's small businesses continue to have the resources they need to move forward during this recovery.

NFIB's plan includes recommendations that will help the Commonwealth's small businesses by providing **tax relief, providing **regulatory relief**, targeting **financial assistance**, and **reforming unemployment insurance**.**

Tax Relief

Provide tax relief for small businesses so they can recover faster, keep and hire employees, and bolster their communities. Recommendations include:

- **Continuing to exempt Paycheck Protection Program (PPP), Rebuild Virginia and other COVID-19 related loans from taxation.** Extend the exemption from taxable year 2020 to taxable year 2021 as well as removing the cap of \$100,000 in deductibility of business expenses so all loan proceeds used for qualifying business expenses are deductible
- **Increasing Virginia's Standard Deduction to Federal Standard Deduction.** Currently, Virginia small businesses, the majority of whom file individually, as well as working families are leaving money on the table when they claim the generous Federal Standard Deduction of \$12,500 for an individual or \$25,000 for a couple. Virginia's standard deduction is \$4,500 for an individual or \$9,000 for a couple
- **Providing an Income Tax Holiday for Small Businesses.** Jump start small business recovery with a one-time exemption of one's first \$250,000 in income from the state income tax

Regulatory Relief

Repeal onerous regulations and mandates and when appropriate replace with reasonable policies; protect small businesses from additional regulatory requirements or expanding existing mandates. Recommendations include:

- **Repealing the permanent COVID-19 Workplace Safety Regulations with a more reasonable and temporary policy** allowing businesses to comply with CDC guidelines
- **Freezing the minimum wage** at its most recent level of \$11/per hour which begins January 1, 2022 and allow employers to include the total compensation such as health insurance benefits when calculating the hourly wage for an employee

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- **Repealing changes made to Virginia's Overtime Act** which went beyond federal law such as not including all the exemptions and calculating overtime differently which has created confusion for employers on which to follow
- **Repealing the requirement of Project Labor Agreements** on state and local construction projects
- **Approving the sale of paid family leave insurance policies in Virginia** so businesses or individuals may purchase financial security
- **Opposing efforts to institute a complicated and burdensome 12 week paid family medical leave benefit program**
- **Opposing efforts to require a determined amount of paid sick days**

Financial Assistance

Target near-term and longer-term financial assistance programs for small businesses with continuing financial needs, and address rising healthcare and energy costs. Recommendations include:

- **Allowing small businesses that continue to suffer clear economic losses due to COVID-19 to apply for a second Rebuild Virginia loan**
- **Ensuring the current backlog of applicants are handled in a quick and efficient manner**
- **Approving the creation of Association of Health Plans** for small business groups to pool together their member employees into one health plan to reduce health insurance premiums
- **Removing Virginia from the Regional Greenhouse Gas Initiative**
- **Repealing the Virginia Clean Energy Act** which mandates 100% carbon-free power in the Commonwealth by 2045 for Dominion Energy and 2050 for Appalachian Power

Unemployment Insurance Reform

Reform unemployment insurance and the agency's processes so small businesses are not faced with higher payroll taxes and can quickly fill open positions and get the economy growing again. Recommendations include:

- **Replenishing the unemployment trust fund** with unused Federal relief money to shield small businesses from significant payroll tax increases
- **Ensuring small businesses are not held liable for fraudulent payments or overpayments in benefits** made by the Virginia Employment Commission which would increase the taxes small businesses pay
- **Opposing efforts to increase benefits** beyond current levels