

LAME DUCK SESSION  
PRIORITIES





# FOREWORD

As Republicans begin mapping out the 114th Session of Congress under their leadership following a hard-fought midterm election, Members of the 113th Session of Congress return to Washington, D.C. this week to tackle some must-do pieces of legislation. In our efforts to help inform lawmakers about how best to serve their small-business constituents, NSBA conducted a survey of nearly 800 small-business owners on what priorities they would like to see addressed during the lame duck session. This brief survey, “Lame Duck Session Priorities” provides small-businesses opinions on the most topical issues of the day as well as general sentiment about Congress.



Contrary to the title given to these wrap-up sessions, the next few weeks promises to be anything but a “lame duck.” Unencumbered by the next election—if only for the next few weeks—returning lawmakers and those headed out the door for good will likely take this opportunity to work on bills they were unable to take-up previously given the sharp political divide that is becoming an insurmountable obstacle to legislating.

In this survey, NSBA asked respondents to rate the level of importance to their business of a handful of topics Congress may potentially address during the Lame Duck session. Interestingly, the most broadly supported item was “approving spending bills through the appropriations process”, or, more simply put: do your job. For small-business owners across the country, shirking financial responsibilities is unthinkable, something Congress continues to do by simply passing Continuing Resolutions rather than pragmatically addressing our nation’s spending. Small firms also ranked as important items for Congress to tackle, the enactment of tax extenders and immigration reform and border control.

When asked to rate the differing House and Senate approaches for dealing with the tax extenders—the House favors enacting permanently a handful of extenders while the Senate favors a two-year extension for all extenders—small-businesses expressed more strong support for the House version which would provide some level of permanency and stability to a tax code riddled with various sunsets. The majority of small firms agree, however, that one or the other approach must get done.

NSBA also asked small-business owners to rate their long-term priorities independent of the Lame Duck session or the possible make-up of the 114th Session of Congress. No surprise, tax simplification was ranked the top priority for Congressional action by small firms. Reducing the national deficit, addressing tax burdens, reining-in health care costs and regulatory reform round out the top five priorities for small firms.

Finally, NSBA asked a few questions about Congress itself and found that not only is Congress’ inability to enact long-term, meaningful tax proposals lessening the average small-business owner’s confidence in his/her leaders, it’s negatively impacting nearly half of small firms’ ability to plan for the future. Furthermore, there is broad opposition among small businesses to certain procedural maneuvers such as anonymous holds and policies whereby leadership will only bring to the floor bills that have support of the “majority of the majority.” Both responses underscore small-business owners’ pragmatism and belief in the benefit of open and honest debate.

Conducted on-line Oct. 8-24 among nearly 800 small-business owners representing every industry in every state in the nation, we hope this survey provides timely and useful information on how to best serve America’s small-business community.

Sincerely,

Jeff Van Winkle  
NSBA Chair  
Clark Hill

Todd McCracken  
NSBA President and CEO



# DEMOGRAPHICS

## WHICH OF THE FOLLOWING BEST DESCRIBES THE INDUSTRY OR SECTOR IN WHICH YOUR BUSINESS OPERATES?

Manufacturing	16%
Professional	13%
Construction	11%
Scientific and Technical Services	10%
Other Services (except Public Administration)	8%
Retail Trade	8%
Information (IT)	5%
Wholesale Trade	5%
Health Care and Social Assistance	4%
Agriculture, Forestry, Fishing and Hunting	3%
Transportation and Warehousing	3%
Educational Services	3%
Arts, Entertainment, and Recreation	2%
Real Estate, Rental and Leasing	2%
Administrative and Support	2%
Finance	2%
Insurance	1%
Accommodation and Food Services	1%
Utilities	1%
Public Administration	1%
Mining	1%
Management of Companies and Enterprises	1%
Waste Management and Remediation Services	0%

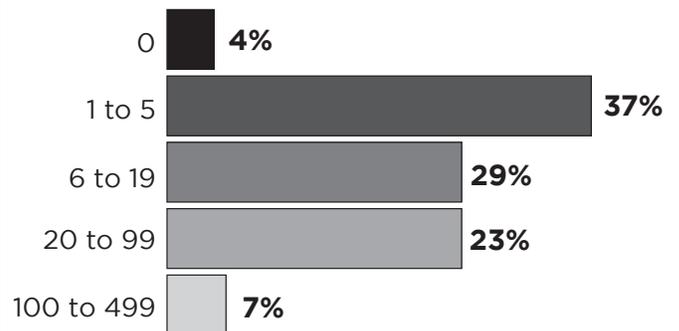
## IN WHAT REGION IS YOUR BUSINESS LOCATED?

New England	5%
Mid-Atlantic	21%
Great Lakes	18%
Farm Belt	6%
South	25%
Mountain	11%
Pacific	14%

## METHODOLOGY

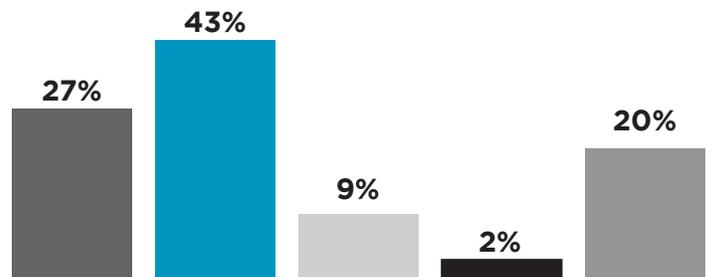
The NSBA Survey: Lame Duck Session Priorities was conducted on-line Oct. 8-24 among nearly 800 small-business owners representing every industry in every state in the nation. The small business respondents represent both NSBA members—which tend to be older, more well-established small businesses—as well as nonmembers.

## HOW MANY TOTAL FULL-TIME PERSONNEL ARE CURRENTLY EMPLOYED BY YOUR BUSINESS?

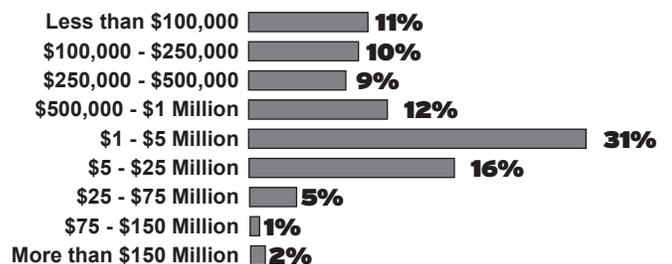


## WHICH OF THE FOLLOWING BEST DESCRIBES THE STRUCTURE OF YOUR BUSINESS?

■ CORPORATION   
 ■ S-CORP   
 ■ SOLE PROPRIETORSHIP  
■ PARTNERSHIP   
 ■ LLC



## WHAT WERE YOUR GROSS SALES OR REVENUES FOR YOUR MOST RECENT FISCAL YEAR?





# POLICY PRIORITIES

NSBA asked respondents to rate the level of importance to their business of a handful of likely topics Congress may address during the Lame Duck session. Interestingly, the most broadly supported item was “approving spending bills through the appropriations process”, or, more simply put: do your job. While many inside the Beltway have expressed great skepticism—and rightfully so—that individual spending bills will be passed, for those outside the beltway, namely small-business owners, shirking financial responsibilities is unthinkable. This response is not surprising given that, according to the NSBA 2014 Mid-Year Economic Report, small businesses ranked “end the partisan gridlock and work together” as the number one thing Congress and the administration ought to do.

## PLEASE RANK THE FOLLOWING ISSUES AWAITING CONGRESSIONAL ACTION DURING THE UPCOMING LAME DUCK SESSION ON THEIR LEVEL OF IMPORTANCE TO YOUR BUSINESS.

	Very important	Somewhat important	Not important	Bad for business
Enactment of Tax Extenders	<b>40%</b>	<b>36%</b>	<b>19%</b>	<b>5%</b>
Immigration reform & border control	<b>51%</b>	<b>28%</b>	<b>19%</b>	<b>2%</b>
Approve spending bills through appropriations	<b>48%</b>	<b>37%</b>	<b>10%</b>	<b>5%</b>
Addressing corporate inversions	<b>25%</b>	<b>36%</b>	<b>32%</b>	<b>7%</b>
Extending the internet tax moratorium	<b>37%</b>	<b>30%</b>	<b>26%</b>	<b>7%</b>
Increasing the minimum wage	<b>17%</b>	<b>19%</b>	<b>26%</b>	<b>38%</b>
Approving Trade Promotion Authority	<b>14%</b>	<b>43%</b>	<b>38%</b>	<b>5%</b>

While the majority of respondents support both the House and Senate approaches for enacting the tax extenders, small businesses expressed more strong support for the House version which would provide some level of permanency and stability to a tax code riddled with various sunsets. This response underscores what NSBA’s Taxation Surveys have found which is that the complexity and administrative burden of federal taxes are outpacing the actual financial burden it poses.

## PLEASE INDICATE YOUR LEVEL OF SUPPORT ON THE FOLLOWING TAX EXTENDER PROVISIONS.

	Strongly support	Support	Don't support
Senate solution: a temporary two-year extension of all tax extenders	26%	46%	28%
House solution: permanent extension of only certain tax extenders (including R&E, bonus depreciation, Sec. 179, new markets credit, etc...)	40%	34%	26%



# POLICY PRIORITIES

## TO WHAT EXTENT DO SHORT-TERM FIXES AND EXTENSIONS ON VARIOUS TAX AND SPENDING BILLS IMPACT YOUR BUSINESS? (CHECK ALL THAT APPLY)



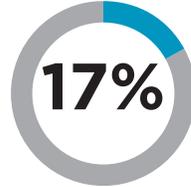
Availability of low-skilled workers



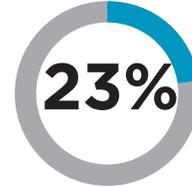
Availability of high-skilled workers



Border control



Fair and limited role for employers verifying work status



None of the Above



Other



**76%** of small firms think enacting tax extenders is important.



Despite the fact that slightly more than one-quarter of respondents are, or plan to be directly engaged in international trade, nearly half say that open global trade avenues are very important to their business.

## HOW IMPORTANT ARE OPEN GLOBAL TRADE AVENUES TO YOUR BUSINESS?

Very - I export goods/services	<b>11%</b>
Very - I import goods/services	<b>5%</b>
Very - I import and export goods/services	<b>7%</b>
Very - I plan to export or import goods or services	<b>5%</b>
Very - even though I don't export or import goods or services	<b>20%</b>
Not very	<b>26%</b>
Not at all	<b>26%</b>



# LONG-TERM SMALL BUSINESS PRIORITIES

Tax simplification continues to be a top priority for small-business owners who have consistently ranked the complexity of the federal tax code a major burden. In-line with NSBA's most recent Economic Reports, reducing the national deficit, addressing tax burdens, reining-in health care costs and regulatory reform round out the top five priorities for small firms beyond the Lame Duck session.

**INDEPENDENT OF THE LAME DUCK CONGRESS OR INCOMING 114TH SESSION OF CONGRESS, PLEASE SELECT WHICH OF THE FOLLOWING ISSUES YOU THINK IS MOST IMPORTANT FOR CONGRESS TO ADDRESS?**

Simplify the tax system	<b>18%</b>
Reduce the national deficit	<b>16%</b>
Reduce the tax burden	<b>14%</b>
Rein-in health care costs	<b>11%</b>
Reduce the regulatory burden on small businesses	<b>9%</b>
Other	<b>8%</b>
Increase small business access to capital	<b>5%</b>
Reform the immigration system	<b>5%</b>
Reform the federal contracting system	<b>3%</b>
Enact a comprehensive energy policy	<b>3%</b>
Tort reform	<b>2%</b>
Implementing cybersecurity procedures/standards	<b>2%</b>
Improve workforce preparedness	<b>2%</b>
Remove barriers to small-business exporting	<b>1%</b>
Reform the estate tax	<b>1%</b>
Credit card reform that includes small business	<b>1%</b>
Reduce the burden of unfair labor laws	<b>0%</b>



Simplifying the tax code is the number one thing small firms want Congress to address.



# OPINIONS OF CONGRESS

Not only is Congress' inability to enact long-term, meaningful tax proposals lessening the average small-business owner's confidence in his/her leaders, it's negatively impacting nearly half of small firms' ability to plan for the future. The lack of stability and permanency in many tax incentives is causing nearly one-third to reconsider utilizing such an incentive. Furthermore, there is broad opposition among small businesses to certain procedural maneuvers such as anonymous holds and policies whereby leadership will only bring to the floor bills that have support of the "majority of the majority."

## TO WHAT EXTENT DO SHORT-TERM FIXES AND EXTENSIONS ON VARIOUS TAX AND SPENDING BILLS IMPACT YOUR BUSINESS? (CHECK ALL THAT APPLY)

It lessens my confidence in our leaders	<b>52%</b>
It makes it very difficult to plan	<b>47%</b>
It reduces the likelihood that I will utilize a certain tax incentive if I can't plan for it	<b>29%</b>
It negatively affects my clients willingness to do business	<b>21%</b>
No impact on my business	<b>15%</b>
Other	<b>1%</b>

**52%** of small-business owners expressed lessened confidence in our leaders as a result of short-term fixes and extensions when it comes to tax and spending bills.

## PLEASE INDICATE YOUR SUPPORT FOR THE FOLLOWING PROCEDURES IN CONGRESS.

	Strongly oppose	Oppose	Support	Strongly support	Not sure
Anonymous holds of bills	<b>52%</b>	<b>25%</b>	<b>5%</b>	<b>0%</b>	<b>18%</b>
60-votes required to break a filibuster	<b>16%</b>	<b>16%</b>	<b>35%</b>	<b>17%</b>	<b>16%</b>
Leadership only bringing bills to the floor that have the support of a "majority of the majority"	<b>44%</b>	<b>27%</b>	<b>14%</b>	<b>4%</b>	<b>11%</b>



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