



NSBA TAX REFORM CHECKLIST

SMALL BUSINESS NEEDS TAX REFORM NOW!

PRINCIPLES OF TAX REFORM

- ✔ **DESIGNED TO TAX ONLY ONCE**
- ✔ **STABLE AND PREDICTABLE**
- ✔ **VISIBLE TO THE TAXPAYER**
- ✔ **SIMPLE IN ITS ADMINISTRATION AND COMPLIANCE**
- ✔ **PROMOTE ECONOMIC GROWTH AND FAIRNESS BETWEEN LARGE & SMALL BUSINESSES**
- ✔ **USE COMMONLY UNDERSTOOD FINANCE/ ACCOUNTING CONCEPTS**
- ✔ **GROUND IN REALITY-BASED REVENUE ESTIMATES**
- ✔ **FAIR IN ITS TREATMENT OF ALL CITIZENS**
- ✔ **TRANSPARENT**

The tax code is inherently unfair to small businesses, and the time for serious tax reform has come. Weighing in at more than 70,000 pages, the U.S. Tax Code punishes work, investment, risk-taking and entrepreneurship.

America's small-business owners have consistently ranked "tax reform" among the top issues for Congress to address, yet our elected officials continue to prioritize scoring political points over passing sound policy, especially when it comes to tax reform.

We need tax reform and we need it now.

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DID YOU KNOW?



64% of small businesses spent over 40 hours dealing with federal taxes in 2011.

There are more than 70 million people in the U.S. that work for or run a small business. Unfortunately, according to the most recent World Bank Rankings, while the U.S. ranks fourth in ease of doing business, it comes in a whopping 72nd in terms of dealing with and paying taxes.



Over the last decade, small business has been targeted time and again as a means to raise revenue for the federal government and eliminate the so-called "tax gap." NSBA has successfully pushed back against these efforts through our Prevent IRS Abuse initiative.



The overwhelming majority of small businesses, 83 percent, pay taxes on their business at the personal income level, or are so-called "pass-through" entities.

NSBA was the first national small-business group to endorse the Fair Tax, which would scrap the current U.S. Tax Code and replace it with a 23 percent national sales tax.



According to a report from Treasury Inspector General Russell George, the majority of audits (62 percent) on s-corps resulted in no recommended changes to what was initially filed. George stated, "the agency is spending a significant amount of resources on unproductive audits."



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The National Small Business Association is the country's longest running small-business organization, operating on a staunchly nonpartisan basis. Tax reform has been among NSBA's top priorities for more than a decade and, while NSBA believes firmly that the Fair Tax is the best way to proceed, we support tax reform that promotes fairness, transparency and eased complexity. For more information please visit www.nsba.biz.