



January 13, 2015

The Honorable Rob Woodall
U.S. House of Representatives
1724 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Woodall,

On behalf of the National Small Business Association (NSBA), I would like to thank you for your continued sponsorship of the *Fair Tax Act (H.R. 25)*, legislation which would establish a 23-percent, single rate, national retail sales tax that would be applied to the sale of all consumer goods and services at the final point of consumption. NSBA is the nation's first small business advocacy organization with more than 65,000 small-business members representing every state and every industry across the country and our member's consistently rank tax reform among our top priorities.

While our members operate a wide variety of businesses, all agree that the current tax code is irreconcilably broken and the number one regulatory burden faced by business owners. In response to the overwhelming sentiment calling for a simpler, fair, efficient and less intrusive system of taxation, NSBA became the first small business advocates to endorse the Fair Tax and has continued to support its concept since its inception in 1998.

The U.S. tax code discourages personal savings and investments by taxing capital gains, dividends and earned interest. Business owners and wage earners struggle under the burden of excess taxes and compliance costs. In fact, American taxpayers spend billions of dollars just trying to comply with the tax laws and regulations. Yet, even with this vast expenditure, no one—including small-business owners—is sure they successfully complied with the law. Congress needs to stop trying to impose more burdens on taxpayers and instead replace the current tax code altogether with something that makes more economic sense.

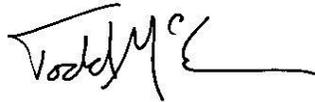
For this reason, NSBA endorses the *Fair Tax Act*—a 23 percent, single rate, national retail sales tax is fair to all Americans, revenue neutral and would boost our economy while freeing Americans from the burdens of the IRS and the costs of compliance. Under this legislation, every taxpayer will be subject to the same tax rate with no exceptions and no exclusions. Tax rates will depend on the amount of purchases made. Used items will not be taxed, which promotes reutilization. Business-to-business purchases for the production of goods and services will not be taxed. In addition, the Fair Tax would replace the individual federal income tax, the capital gains

tax, all payroll taxes, corporate income taxes, the self-employment tax and the estate taxes. Those who are least able to share in the cost of government will bear no burden at all.

The Fair Tax offers long-needed tax relief to our nation's small businesses. Americans get to keep 100 percent of their paycheck, pension, and Social Security payments enabling them to save more, invest in their businesses, and boost our economy through job creation and innovation.

NSBA is pleased to support H.R. 25 as a reasonable, efficient, and intelligent solution to the frustration and inequity small-business owner's face with the current tax system. Thank you for your leadership on this issue and I look forward to working with you to bring this legislation to the House floor for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken", with a long horizontal line extending to the right.

Todd McCracken
President & CEO