

# Reform the Current Tax Regime

*Americans deserve a simpler, fairer more pro-growth tax system*

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## Problem:

One of the greatest obstacles to increased economic growth is an impossibly complex and ever-changing tax code that is biased against savings and investment. Regularly ranked among the top issues facing small businesses, federal taxes are a huge frustration with countless sun-setting tax provisions, retroactive extensions and legalese permeating even the simplest of tax rules and proposals.

- The current tax code is comprised of more than 74,000 pages of laws and regulations that inevitably weaken the economy's strength by punishing work, investment, risk-taking and entrepreneurship.
- Results from the NSBA 2015 Taxation Survey indicate that the majority (59 percent) cited administrative burdens, while 42 percent highlighted financial burdens as the most significant challenges to their business posed by federal taxes.
- In 2015, 40 percent of small businesses reported they spend more than 80 hours per year dealing with federal taxes, the majority spent more than 40 hours per year.
- The majority of small businesses, 59 percent, say that federal taxes and credits or deductions have a significant to moderate impact on their business decisions while 67 percent say federal taxes have a significant to moderate impact on the day-to-day operation of their business.
- The current tax system impedes small-business growth by discouraging long-term investment by instituting uncertain and unpredictable tax extenders, and by hindering job creation with an over-reliance on payroll taxes.

## Solution:

NSBA supports a broad overhaul of the tax system by dramatically broadening the base—cutting the breaks that litter the tax code—and lowering rates. As Congress debates what tax system should replace the current one, NSBA believes it is imperative that the U.S. moves towards a simpler, fairer tax system that does not attempt to only tweak one piece of the puzzle, such as corporate-only tax reform, and incorporates the following nine principles:

- 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 understand finance/accounting concepts
- Grounded in reality-based revenue estimates
- Fair in its treatment of all citizens
- Transparent

## Learn More:

[Download NSBA's 2015 Taxation Survey](#)

[Read NSBA's latest updates on tax and budget issues](#)