
SMALL BUSINESS FOR AMERICA'S FUTURE



WRITTEN TESTIMONY FOR THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON SMALL BUSINESS

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My name is Walt Rowen, and I am the President of Susquehanna Glass in Columbia, Pennsylvania, and Co-Chair of Small Business for America's Future (SBAF). Susquehanna Glass is a family-owned glass decorating business that has been in operation for 114 years, with each generation having navigated various economic upheavals. Despite these challenges, our business has figured out how to persevere and continue operating. We currently employ around 35 people and are proud to play an active role in our local community by providing good jobs and economic activity since 1910. Our success is intrinsically linked to the success of our community, and I believe that investing in small businesses is an investment in the prosperity of our workers and neighborhoods.

Small Business for America's Future is a national coalition of small business owners and leaders dedicated to providing a strong voice for small businesses at every level of government. SBAF has long advocated for tax reforms that benefit small business and is committed to ensuring that policymakers prioritize the needs of Main Street by promoting a just and equitable economic framework that supports small business owners, their employees, and the communities they serve.

Small Business Success Leads to Community Success

As a small business owner, I am deeply embedded in my community, and I recognize that the success of my business, like that of all small businesses, is inextricably linked to the success of my community. Small businesses are the lifeblood of our economy, creating jobs, driving innovation, and investing in the communities they serve. In fact, the country's 30 million small businesses are responsible for nearly half of all private-sector employment and have been the primary source of job creation for decades. My family's business, Susquehanna Glass, having navigated World War I, the Great Depression, World War II, the Great Recession, and, most recently, the COVID-19 pandemic, has been a proud contributor to our local economy for more

than a century. However, our ability to weather these storms and continue serving our community has not been solely due to our own efforts. During times of crisis, government programs like the Paycheck Protection Program and the Small Business Administration's EIDL loans have been crucial lifelines that have allowed us to keep our doors open during the most challenging times.

Given the vital role that small businesses play in our economy and our communities, I have high expectations for how the government should support Main Street. We need investments and policies that create an economic climate that allows small businesses to thrive, which in turn will lead to thriving communities. When small businesses succeed, they create jobs, stimulate economic activity, and generate tax revenue that can be reinvested in local communities.

While smart tax policy is undoubtedly an important piece of the puzzle, it is not the only tool at the government's disposal. To truly support small businesses and the communities they serve, the government must take a comprehensive approach that includes investments in creating new economic opportunities and building a strong workforce. This means investing in training programs to ensure that small businesses have access to skilled workers, making healthcare and childcare more affordable, and investing in infrastructure projects that can help small businesses reach new markets and provide new business opportunities. To fund these investments, we need tax reforms that support small business success, close loopholes, and ensure that everyone pays their fair share. These reforms will generate the revenue needed to create new economic opportunities and build a stronger economy that works for everyone.

In short, supporting small businesses is not just about creating a favorable tax environment, but also about making strategic investments that create new opportunities for growth and success.

The Impact of the Tax Cuts and Jobs Act (TCJA) on Small Businesses

The current tax code, particularly the Tax Cuts and Jobs Act (TCJA), has not adequately addressed the needs of small businesses, does not reward their impact, nor does it invest in their success. The TCJA in particular heavily favors large corporations and has failed to create an environment that promotes growth on Main Street. A recent [national survey](#) of more than 1,100 small business owners conducted in February by SBAF shows how little the law has done for entrepreneurs:

- 80% of small business owner respondents said the TCJA did not help them hire new employees
- 76% said it did not help them increase salaries
- 76% said it did not help them purchase new equipment
- 72% believe the tax code favors large corporations over small businesses

These results highlight the disparities in benefits received by large corporations and small businesses under the TCJA. While corporations received a permanent 40% tax cut (from 35% to 21%), pass-through entities—the majority of small businesses—received a meager temporary 20% deduction that, as the survey results show, had little material impact on small businesses.

Furthermore, contrary to promises made by the TCJA's proponents, the tax cuts [have not](#) paid for themselves. The small business community takes long-term fiscal responsibility seriously, and it is now clear that these tax cuts have not been fiscally prudent. The TCJA's failure to

deliver meaningful benefits to small businesses while adding significantly to the national debt is a concern for small business owners who value sustainable economic policies.

The TCJA's failure to adequately support small businesses represents a missed opportunity to create jobs, raise wages, and empower entrepreneurs to invest in their businesses and contribute to the growth and vitality of their communities. As Congress considers future tax legislation, it is crucial that they prioritize the needs of small businesses and create a system that promotes Main Street success.

A Need for a Tax Code Designed to Support Small Business

Many provisions in the TCJA are set to expire, but merely extending them beyond 2025 would lock in a tax scheme that does not work for small businesses. Instead, we need to take this opportunity to implement tax reforms that enable Main Street success. Helpful policies for small business include:

- A tax credit for a small business owner hiring their first employee to stimulate business growth and job creation
- Making the first \$25,000 in profit for a small business tax-free
- Doubling the startup tax deduction for small businesses
- Ensuring tax equity for the self-employed.
- Raising the top corporate tax rate to 28% and ensuring billion-dollar corporations pay at least 21% of their income in taxes to give lawmakers the means to make impactful economic investments.

Importantly, policymakers must simplify tax matters for small business owners. The tax code is far too complicated, and compliance is time-consuming and costly. Small businesses simply do not have the resources, time, or expertise to find every benefit available to us. Simplifying the tax code would be a game-changer for small businesses, allowing us to focus our energy on what we do best—serving our communities and growing our businesses.

Increased Revenue Enables Creative Solutions

Smart tax reforms and ensuring that taxes rightfully owed to the Treasury by large corporations and the wealthy are collected—the recently allocated funds to modernize the IRS are crucial in this regard—will open up pathways to address the challenges that small businesses face.

This will provide the means to implement policies that truly move the needle for small businesses and their employees, such as affordable child care, child tax credits, training incentives, immediate write-offs for new equipment purchases, affordable health insurance, and infrastructure improvements. These policies would not only benefit small businesses directly but also strengthen the communities they serve.

When small businesses succeed, they create jobs, stimulate economic activity, and contribute to the vitality of their communities. By using the revenue generated from tax reforms and improved tax collection to fund policies that support small businesses and their employees, we can build a more resilient, and prosperous economy for all.

The Need for Tax Reform and Smart Investments in Light of Record Entrepreneurship

The need for smart tax reform and smart policies supporting Main Street is particularly urgent given the [historic surge](#) in new small business starts in recent years. U.S. Census Bureau data shows the nearly 16 million new recorded business applications since 2021 represent an approximately 85% increase in the average flow of monthly applications compared to the period between 2004 and January 2021. The monthly average of 440,000 new business applications over the past three years is 46% higher than the average from 2017 through 2020 combined.

This growth in entrepreneurship has been particularly pronounced among women, Latinos, and Black Americans. Black business ownership is growing at the fastest pace in 30 years, with the share of Black households owning a business more than doubling from 5% to 11% between 2019 and 2022. Similarly, Latino business ownership rose from 7% to 10% during this period, the fastest pace in over a decade. Women-owned businesses have seen the most dramatic growth, with the rate from 2019 to 2023 outpacing that of men-owned businesses by 94%. This diverse wave of entrepreneurship represents a tremendous opportunity to build a more robust economy, but only if we provide these new businesses with the support they need to succeed.

As a nation, we must seize this moment of historic entrepreneurship and ensure that our tax policies and investments are aligned with the needs of these fledgling small business owners. By doing things like providing tax credits for hiring the first employee, making the first \$25,000 in profits tax-free, simplifying tax compliance, lowering the cost of health insurance, and making investments in childcare, we can create an environment that nurtures these new small businesses and enables them to grow into the job-creating engines our communities thrive on.

Conclusion

The current tax system, including the TCJA, has failed to address the needs of small businesses. It is time for bold action to create a tax code that works for Main Street and provides the revenue required to make transformative investments in the workforce and economic opportunities. Tax policy can and should be made to help small business owners because investing in small businesses is not just about supporting individual enterprises; it is about building vibrant, thriving communities where everyone has the opportunity to participate and prosper.

Thank you for your consideration.

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