SBLC CELEBRATES AT ANNUAL MEETING

The Small Business Legislative Council (SBLC), formally organized in 1977, held its annual meeting today. Chair Paula Calimafde opened the meeting with a review of the accomplishments of the organization over the last year, ranging from the work on estate tax relief to relief for small business from the “listed transaction” penalties. She thanked the group for the opportunity to serve as Chair and for the support provided by the member associations.

Under SBLC by-laws, Steve King, the President of the Pet Industry Distributors Association, automatically becomes the Chair of SBLC. The group elected Gerry Murphy, the President of the Washington Area New Automobile Dealers Association as Chair-Elect. Paul Stalknecht, President & CEO of the Air Conditioning Contractors of America was elected Treasurer. Jerry Heppes, the Chief Executive Officer of the Door and Hardware Institute, was elected Secretary.

The group also added four new members to its Board of Directors. Elected to the Board were:

Ed DiCampli, Executive Vice President of the Helicopter Association International
Steve Caldeira, President and CEO of the International Franchise Association
Doug Culkin, President of the National Apartment Association
John Grau, CEO of the National Electrical Contractors Association

Incoming Chair King pledged to continue to work on the priorities for the organization.

Dr. Winslow Sargeant, Chief Counsel for Advocacy for Small Business, addressed the meeting, outlining his vision for the Office of Advocacy and describing the work the Office is doing to reduce regulatory burdens, to secure tax relief for small business and to conduct essential economic research about the role of small business in the economy. He announced the release of a new report on the current state of lending to small businesses.

At an earlier meeting, the SBLC Board of Directors had set SBLC’s priority agenda for 2011 and the principal goal is to convince the 112th Congress and the President to act early on unresolved small business concerns.

It is hard to believe the 111th Congress did not repeal the expansion of the tax information reporting requirement enacted last year. While there was nearly universal agreement that
Congress did not fully comprehend the magnitude of burden they were imposing on small businesses when they expanded the requirements for issuing IRS Forms 1099, Congress failed to rise above health care reform politics to repeal the expansion. SBLC calls on Congress to make repeal the first order of tax policy business. Passage would send a message that the 112th Congress is willing to do more than talk about small business. (For SBLC, our goal is make our voice heard. We were telling Congress as early as the spring of 2009, the Form 1099 expansion was a nightmare waiting to happen.)

Our next priority is for Congress to pass permanent estate tax relief. While the 111th Congress extended relief for two more years, we would hope the 112th Congress has learned a lesson from the last decade. Do not wait until the eleventh hour to deal with the permanency issue. It is time folks understood that it is as much about the stupid and wasteful estate planning things small business owners do to avoid having their heirs close or sell the business in order to pay the estate tax as it is about how many pay the tax. If Congress has done what SBLC had advocated they do six years ago, which was essentially pass the relief just recently enacted but made permanent, we could have saved small businesses countless hours and millions of dollars in unnecessary estate tax planning. To the 112th Congress our message is make the $5 million exemption (indexed), lower top rate, and the portable spousal exemption permanent and do it now.

SBLC renews its long-standing call for meaningful investment in our nation’s infrastructure. Our nation’s small businesses both build that infrastructure and rely on that infrastructure to provide their goods and services. Within that general goal, we continue to support adequate funding for the Highway Trust Fund with the proceeds used solely for the purposes of the Fund on an annual basis.

As health care reform regulations continue to unfold, SBLC’s goal is to work to identify potential problems for small business and pursue mitigating policies.

As Congress explores the potential for tax reform, SBLC will endeavor to make certain that the consequences for small business are clearly identified and understood. Our experience during the 1986 tax reform debate was that small business bore an unfair share of the base-broadening and was not a beneficiary of the corporate rate reductions. It is important to understand which “tax expenditures” are more directly tied to small businesses’ effective tax rates to strike the correct balance in sound public policy.

Finally, if new regulatory initiatives of any kind are unveiled, SBLC will continue to work with the Chief Counsel for Advocacy for Small Business to identify ways to mitigate the impact on small business.

The Small Business Legislative Council is a permanent, independent coalition of over 50 trade and professional associations that share a common commitment to the future of small business. Our members represent the interests of small businesses in such diverse economic sectors as manufacturing, retailing, distribution, professional and technical services, construction, transportation, and agriculture. Our policies are developed through a consensus among our membership. Individual associations may express their own views.