



Statement of the U.S. Chamber of Commerce

Expanding Opportunities for Small Businesses Through the Tax Code

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**Committee on Small Business & Entrepreneurship
United States Senate**

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The Chamber's mission is to advance human progress through an economic, political, and social system based on individual freedom, incentive, initiative, opportunity, and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America's free enterprise system.

More than 96 percent of Chamber member companies have fewer than 100 employees, and many of the nation's largest companies are active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

The Chamber represents a cross-section of the American business community with small and large businesses, across major classifications of American business—including manufacturing, retailing, services, construction, wholesalers, and finance. The Chamber has membership in all 50 states.

The Chamber's international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

My name is Christel Slaughter, Ph.D. and I am the CEO of SSA Consultants based in Baton Rouge, Louisiana and the Chair of the U.S. Chamber of Commerce's Small Business Council. 96 percent of Chamber member companies have fewer than 100 employees and 75 percent have fewer than 10. The Small Business Council represents small business voices as part of the Chamber's policy-making process.

Examples of Positive Impact from Tax Cuts:

The Chamber publishes a quarterly small business index in partnership with MetLife. The most recent survey shows small business confidence at an all-time high.¹ The findings reflect a confidence in the direction of the national economy and show that 69.7 percent of small business owners have a positive outlook about their company and the small business environment in the United States. Small business owners surveyed earlier this year were twice as likely to think tax reform would help their business rather than hurt it.²

At a meeting earlier this year, several of my fellow Small Business Council members discussed their plans to reinvest savings realized from the Tax Cuts and Jobs Act:

Melissa Bercier, founder of Couch Clarity, a private psychotherapy practice near Chicago, explained how tax cuts are giving her an opportunity to provide team building and professional development for her 10 staff. Melissa calls her reinvestment strategy, "helping the helper." The strategy has a positive domino effect because Couch Clarity's two locations help people in the community, and a happy staff means a happy community.

David Mahoney is the President and CEO of Noble Gas Solutions in Albany, New York, a gas distribution and welding supply company with 33 full-time and three part time employees. David explained how difficult it was getting through the recession, with Noble Gas Solutions experiencing a 15% decline in revenue and an eight-year business drought without experiencing additional sales in upstate New York. He told me that last year, the economy in the North East finally rebounded and his sales went up 10 percent. The tax cuts allowed David to raise wages and prompted him to plan for hiring new staff, a luxury he could not afford for the past several years.

Melissa is here in Washington, DC this week to join several hundred other small businesses for the U.S. Chamber of Commerce's 14th annual Small Business Summit. Many of us were on Capitol Hill yesterday meeting with our senators to help explain how we are putting tax reform savings to work by reinvesting in our employees, our

¹ Findings from an Ipsos poll of 1,000 small business owners and operators conducted by phone between June 14 and July 27, 2018. Results may be found at:

https://www.uschamber.com/sbindex/SBI_2018_Q3.pdf.

² Findings from an Ipsos poll of 1,000 small business owners and operators conducted by phone between January 8 – January 25, 2018. Results may be found at:

https://www.uschamber.com/sbindex/SBI_2018_Q1.pdf.

businesses, and our communities. These examples of how we are re-investing tax cut savings to provide higher salaries and increased benefits for our employees are echoed by small businesses throughout the United States.³

In my small business, our employees are taking home more of their earnings and many of our clients are benefitting from the Tax Cuts and Jobs Act. One of those clients, timber company RoyOMartin, announced the opening of a new state-of-the-art Oriented Strand Board (OSB) plant in Corrigan, Texas this past May.⁴ At full capacity, the plant will ship enough OSB for approximately 70,000 U.S. homes per year. RoyOMartin's investment in the new plant created 165 direct jobs and more than 470 indirect jobs in construction.

Another example is ExxonMobil, which announced that it is reinvesting \$50 billion in its U.S. operations because of the Tax Cuts and Jobs Act. That was music to the ears of my client, ExxonMobil Baton Rouge, which employs more than 6,500 people in my state. As a practical matter, my job as an organizational consultant is less difficult when employees are taking home more pay and the company they work for is committed to reinvestment and growth. The tax cuts will allow them to make additional investments in operations and staffing. This example shows the positive ripple effect of business confidence and optimism due, in part, to tax reform.

Our organizational consulting firm has seen an increase in business this year. Our clients are doing well and they want to remain competitive by working with us on strategic planning and making sure they retain their talented employees in this tight labor market.

Improvements Needed for Tax Reform to Have an Even Greater Positive Impact:

Finally, we would like to work with the Committee and your colleagues on the Finance Committee to make the small business tax cuts permanent. Many of us want to plan ahead, whether it is to grow our businesses, sell our businesses, or pass what we have built on to our children. The expiration of several tax benefits at the end of 2025 will limit our ability to implement expansion or transition plans for our businesses.

We look forward to working with you on ways to improve the tax code through legislative action and we appreciate your attention to the ongoing benefits of the Tax Cuts and Jobs Act for the small business community by holding this hearing.

³ See a map of businesses that are reinvesting tax cut savings at: <https://www.uschamber.com/tax-reform>.

⁴ RoyOMartin is a forestry-related and wood-products manufacturing company based in Alexandria, Louisiana that employs 1,110 workers in their two manufacturing facilities.