

**Small Business Tax Relief**  
**Statement of Senator Susan M. Collins**  
**October 18, 2017**

Mr. President, there's been a great deal of discussion about what the appropriate tax rate should be for large corporations, and that's important because we want them to create jobs right here in America and not overseas. But let us not forget the true engine of our economy, and that is our small businesses. We need to provide true tax relief to our small businesses, the job creators in our economy.

I rise to discuss my amendment, which is #1151, which would create a deficit neutral reserve fund to support small business tax relief while preventing wealthy taxpayers from sheltering income from taxation at the appropriate rate. It would send the message that, through tax reform, we can help our small businesses thrive and be the engine of job creation and economic growth in communities all across our great country.

Small businesses make an outsized contribution to our economy. According to the Small Business Administration, small businesses employ nearly half of all workers and generate two-out-of-three net new jobs each year. Nationwide, they generate nearly half of our private non-farm GDP, and one-third of our nation's export value. And the State of Maine is truly a small business state, with nearly 300,000 of our residents employed by our more than 141,000 small businesses. That's nearly 60 percent of our workforce.

Most small businesses, Mr. President, are organized as so-called pass-through entities, meaning that their profits are passed on to their owners and reported on individual income tax returns. Under current law, this income is taxed at individual rates, which can reach nearly 40 percent at the federal level and can be significantly higher than the corporate tax rates that larger firms face. Given the administrative costs and these high tax rates, small businesses are forced to devote more resources to compliance and tax payments and fewer resources to creating good jobs and investing in their local communities.

It's no wonder that a recent survey by the National Federation of Independent Business found that concerns about federal taxes on small businesses ranked third on the list of the top 10 concerns. With tax reform, we have the opportunity to fix this problem.