

STRAIGHT TALK ON TAXES

THE BUFFETT RULE AND SMALL BUSINESS: “I’M STILL LOOKING FOR THE MILLIONAIRE DRY CLEANER”



With Tax Day fast approaching, tax policy is front and center this week. So are claims about how changes to the tax code will affect small businesses. On April 16, the U.S. Senate will vote on the Paying a Fair Share Act of 2012. This proposal implements the “Buffett Rule” – named after legendary investor Warren Buffett last year after he pointed out the absurdity of a tax code under which he pays a lower effective tax rate than his secretary – and ensures that households with annual incomes over \$1 million pay a minimum effective tax rate of 30 percent.

Buffett Rule opponents claim the proposal will hurt America’s small businesses. Will it?

LESS THAN 1 PERCENT OF TAXPAYERS WITH ANY BUSINESS INCOME WOULD BE IMPACTED BY BUFFETT RULE

What portion of small business owners would actually be impacted by the Buffett Rule? According to the non-partisan [Tax Policy Center](#), only 1 percent of all U.S. taxpayers with any business income land in the millionaire tax bracket. This figure includes hedge fund managers, partners in major K Street lobbying firms, and owners of other business entities structured as partnerships or S corporations that hardly fit the bill of small businesses. In reality, only a tiny fraction of Main Street small businesses would be affected.



“I’m still looking for the millionaire dry cleaner. I haven’t been able to find him yet. Most small business owners are like me: we’re making a living, we’re not millionaires – not by a long shot – and we support asking the real millionaires to do their part for our country.”

- Kelly Conklin, owner of Foley-Waite Associates architectural woodworking in Bloomfield, NJ

SMALL BUSINESS OWNERS SUPPORT ENSURING MILLIONAIRES PAY FAIR SHARE OF TAXES

Ask real small business owners and it turns out they support tax policy changes to ensure that millionaires pay their fair share. In February, the Main Street Alliance, the American Sustainable Business Council, and Small Business Majority released the results of a scientific national survey of 500 small businesses. The survey findings included:

- *Small business owners want millionaires to contribute more:* 57 percent of small business owners say millionaires should pay more taxes.
- *Small business owners support ending special tax cuts for incomes over \$250,000:* 51 percent say tax cuts on annual household income over \$250,000 should end.
- *Small business owners want to get rid of special tax breaks and loopholes:* 81 percent favor eliminating big tax breaks for hedge fund managers.

The full survey findings on taxes are detailed in this report: <http://bit.ly/report-taxes>