



NFIB SMALL BUSINESS HILL BRIEF

April 2023

NFIB RESEARCH CENTER

On April 24, NFIB released the April edition of NFIB Research Center's [Monthly Economic Report](#).

On April 17, NFIB Chief Economist Bill Dunkelberg penned an op-ed in [Forbes](#) on price hikes and inflation:

- “Most economy watchers see the economy weakening toward the year end. Weaker spending will reduce the incentive and opportunity to raise prices, slowing the pace of price increases and the inflation rate...Because a large portion of GDP is sold on Main Street, the NFIB monthly indicators will provide clear signals of the direction of inflation.”

On April 11, NFIB released the NFIB's Small Business Optimism Index, which declined slightly in March. Inflation and labor quality are the leading small business operating problems. Read the press release [here](#). Key findings include:

- Forty-three percent of owners reported job openings that were hard to fill, down four points from February and remaining historically very high.
- The net percent of owners raising average selling prices decreased one point to a net 37% seasonally adjusted.
- The net percent of owners who expect real sales to be higher deteriorated six points from February to a net negative 15%.

On April 6, the [NFIB monthly Jobs Report](#) showed labor quality continues to hold back small business hiring. Owners reporting labor quality as their top small business operating problem remains elevated at 23%. Read the press release [here](#).

- Labor costs reported as the single most important problem to business owners decreased one point to 11%, just two points below the highest reading of 13% reached in December 2021.

NFIB ADVOCACY / NFIB MEMBERS

On April 26, NFIB-IA member Marcie Strouse testified before the U.S. House Committee on Education and the Workforce Subcommittee on Health, Employment, Labor, and Pensions [hearing](#) titled, “Reducing Health Care Costs for Working Americans and their Families.” Read her testimony [here](#).



On April 18, NFIB presented Congress with “My Small Business Is Not a Tax Loophole” petition signed by almost 12,000 small business owners urging Congress to reject new tax hikes on small businesses.

- NFIB-PA member Warren Hudak testified before the U.S. House Committee on Small Business in a hearing titled, “Paying Their Fair Share: How Tax Hikes Crush the Competitiveness of Small Businesses,” on making the Small Business Deduction (Section 199A) permanent, concerns with the Fiscal Year 2024 budget request, and concerns about the IRS enforcement expansion plans. Read his testimony [here](#) and NFIB press release [here](#).



**Small Businesses Present Petition
Against Tax Hikes to Congress**

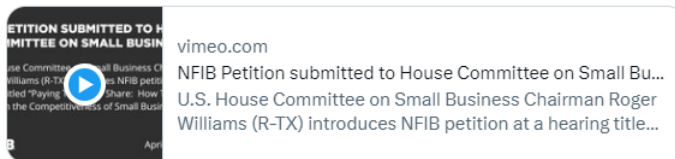
**NFIB Launches New Ad Campaign
Targeting White House Tax Hikes
on Small Businesses**

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- NFIB Vice President of Federal Government Relations Kevin Kuhlman said, “Thousands of small business owners from across the nation signed the petition to say the proposed tax increases will be detrimental to their businesses. The White House is claiming they are ‘closing a loophole’ by subjecting small business income to a new 5% tax, but that claim is false and misleading. Small businesses are not a tax loophole and ask their elected officials to reject the proposed tax hikes.”
- Chairman Roger Williams’ (R-TX) [opening statement](#) stated: “One of the most harmful proposals is an additional 5% surtax on small businesses that the White House claims is closing a tax loophole. This could not be farther from the truth and would be devastating for many small businesses. I am going to submit this letter from the NFIB for the record that has almost 12,000 signatures from small businesses that calls the administration out for this disastrous policy proposal.” Watch the video here:



Last week, the [@HouseCommittee](#) on Small Business introduced an NFIB petition against proposed taxes on [#smallbusiness](#). Over 11,000 small businesses signed the petition. Watch [@RepRWilliams](#) of [#Texas](#) introduce the petition at the hearing: vimeo.com/819658875/14a7... [@nfib_tx](#)



- The U.S. House Committee on Small Business featured Warren’s testimony in a [press release](#).
 - Hudak said, “They invest in plant, property, and equipment. But it's not about a tax bill, we are preserving a way of life.”
- Rep. Beth Van Duyne (TX-24) also inserted into the record NFIB’s petition “[My Small Business is Not a Tax Loophole](#)” signed by almost 12,000 small business owners urging Congress to reject new tax hikes on small businesses. See her video below:



Last week, [@RepBethVanDuyne](#) submitted a petition against proposed [#smallbiz](#) taxes in a U.S. House [@WaysandMeansGOP](#) Field Hearing. Over 11,000 [#smallbizowners](#) signed the petition to stop a 5% tax wrongly claiming to close a tax “loophole.” vimeo.com/821818385/8889... [#Texas @nfib_tx](#)



On April 21, NFIB-GA member Alison Couch testified before the U.S. House Committee on Ways and Means at a field hearing in Peachtree, Georgia titled, "Hearing on the State of the American Economy: The South." Watch the hearing [here](#). Read her testimony [here](#). She also penned an op-ed in *The Augusta Chronicle* titled, "[Small Businesses Need Legal, Tax Reforms to Remain Viable.](#)"



On April 18, NFIB President and CEO Brad Close penned an op-ed in [USA Today](#) titled, "Small businesses have enough to worry about with Tax Day. Overzealous IRS shouldn't be one of them."

- "The federal investigators stated that "improving taxpayer service" is the top challenge the IRS faces in 2023. But the IRS is not adequately tackling this enormous and urgent issue. When the administration and Congress gave the agency the \$80 billion over the decade, they directed only 4% of the money to quickly resolve taxpayer issues when they arise. Small businesses need a lot more than that – and a lot less antagonism. In January, the House of Representatives voted to roll back most of the \$80 billion in increased enforcement funding while maintaining the taxpayer service funding. The Senate and the White House should be willing to talk about reforms that would help the agency work better, while also preventing upcoming mandates that will make small businesses' survival even harder."

On April 19, NFIB sent a [press release](#) on [Episode 7](#) of the [Small Business Rundown](#) podcast featuring NFIB President Brad Close discussing the IRS, and how small business owners are impacted by the agency's focus on enforcement instead of compliance assistance and customer service.

- Close said, “Most [small business owners] have stories of waiting for hours on hold. And when they do finally get through, they’re not getting the correct information. They’ve had audit issues. They’ve had things filed against them that are proven to be errors from the IRS. But there is an inability to get good advice, good answers, and good guidance from the IRS. So, I think when [owners] look at legislation, a law now that is going to devote the bulk of \$80 billion towards more enforcement, not towards improving IRS customer service, they get really worried.”

On April 5, NFIB launched a new multi-state advocacy and advertising campaign that urges members of Congress to reject proposed tax increases on small business from the White House FY 2024 budget proposal. This issue remains relevant as the Administration’s budget proposal is the opening bid in forthcoming debt ceiling negotiations. Read the press release [here](#). Listen to the radio ads [here](#).

- NFIB President Brad Close said, “Main Street cannot afford these new tax increases. As expectations for better business conditions remain low, while high inflation and worker shortages continue to plague Main Street, these proposals would hurt small businesses’ ability to recover, grow, and create jobs. The White House should instead focus on promoting economic growth by providing certainty, such as permanently extending the Small Business Deduction. NFIB encourages these members of Congress to stand up for Main Street and reject any new tax increases on small businesses.”

**My Small
Business**
— is not a —
Tax Loophole!

- Visit NFIB.com/NoNewTax for more information.

On April 7, NFIB [issued a statement](#) reacting to President Biden’s veto of the bipartisan resolution of disapproval of the EPA’s Waters of the United States (WOTUS) final rule:

- NFIB Vice President Kevin Kuhlman said: “President Biden’s decision to veto a bipartisan Congressional resolution to repeal a complex and burdensome regulation further demonstrates a disconnect with the concerns of small businesses. On March 20, 2023, the EPA’s and Department of the Army’s Waters of the United States (WOTUS) rule went into effect – a rule that significantly expanded federal regulatory authority over wetlands, farms, and private property. NFIB cautioned this rule would increase the regulatory burdens and uncertainty facing small businesses, and we were pleased to

see bipartisan members of Congress heard the concerns of small businesses and voted to repeal the rule. However, on April 6, 2023, President Biden vetoed the bipartisan resolution, resulting in the fact that small businesses will now face additional compliance costs and uncertainty due to this decision. Small businesses are grateful for Congress' leadership to eliminate this burdensome rule and urge the Administration to consider the concerns of small business owners more seriously when issuing regulations."

On April 6, NFIB released [Episode 6](#) of the [Small Business Rundown](#) podcast, featuring Executive Director of NFIB's Research Center Holly Wade explaining the results of NFIB's health insurance survey: "The cost of health insurance is one of the most critical issues facing small business owners and has been for decades, unfortunately. It's one of the areas of huge frustration."

- The episode also features NFIB member small business owner Kelly Moore in an interview with Government Relations Manager Josselin Castillo to discuss her struggle in providing health insurance to her employees. Moore said, "The costs of healthcare are continuing to increase. It's becoming harder to secure healthcare – much harder to find doctors who are willing to treat you in a timely fashion. So, those are huge concerns for my employees and myself."

On April 5, The U.S. House Committee on Energy and Commerce quoted NFIB Vice President of Federal Government Relations Kevin Kuhlman in a [press release](#) on the Subcommittee on Health hearing titled "Lowering Unaffordable Costs: Examining Transparency and Competition in Health Care:"

- "On behalf of the National Federation of Independent Business, the nation's leading business advocacy organization, thank you for convening a hearing focused on lowering unaffordable healthcare costs and examining transparency and competition in healthcare... NFIB recommends that Congress implement policies that lower healthcare costs for small employers and their employees while expanding choice and flexibility in benefit offerings and reducing regulatory burdens."

NFIB IN THE COURTS

On April 27, NFIB filed two amicus briefs fighting against the final Waters of the United States (WOTUS) rule in the cases [Commonwealth of Kentucky v. United States Environmental Protection Agency \(EPA\)](#) and [Kentucky Chamber of Commerce, et al. v. EPA](#) at the United States Court of Appeals for the Sixth Circuit. These cases concern

the EPA's final rule and whether the Court should grant a preliminary injunction on the rule. Read NFIB's press release [here](#).

On April 27, NFIB Small Business Legal Center released the latest "The Docket," view [here](#).

LOOK AHEAD

- May 2: NFIB Small Business Legal Center released a [white paper](#) on Strengthening the Regulatory Flexibility Act to Protect Small Business
- May 3: NFIB Research Center released a [Small Business Banking Survey](#)
- May 4: NFIB Research Center released the monthly [Jobs Report](#)
- May 9: NFIB Research Center releases the monthly [Small Business Optimism Index](#)
- June 12-14: NFIB Fly-In in Washington, D.C.

