



**Opening Statement of Rep. Trent Kelly  
House Committee on Small Business  
Subcommittee on Economic Growth, Tax, and Capitol Access  
Hearing: “Employers of Choice: How the Tax Extender Debate Will Affect Small Business”  
December 3, 2015**

Good morning. I call this hearing to order. I would like to start by thanking the witnesses, especially the small business owners who have traveled here from different parts of the country, for being here today.

Being a small business owner in America is a tough job. No matter what your business, you must wear many different hats. In addition to doing what you went into business for in the first place, you probably have to tackle responsibilities as a tax accountant, advertising executive, regulations expert, fund raiser and human resources expert, as well. Yet throughout our history, entrepreneurs in America have done all these things and more.

One of the things that is critical for small business owners is finding, attracting, and retaining qualified employees. To find success in today’s global economy, companies know that creative, adaptable and engaged employees are a critical asset. And while recent surveys show that Americans hold small businesses in high esteem—at a rate three times higher than big businesses, small firms still have to aggressively compete with firms of all sizes to fill out their rosters. To win this war for talent, firms know that they must become “employers of choice” so that their organizations can bring together the best individuals to work on the challenges and opportunities of a new and ever-changing economy.

Increasingly, these small businesses have expanded the traditional benefits they offer prospective employees in the face of greater competition for talent. We’ve had small firms testify before our Committee in the past that offer new benefits that small firms wouldn’t traditionally offer, such as flex time packages with greater work/home balance, wellness programs with financial incentives, or bonuses with stock options and profit sharing arrangements. But the competition isn’t always fair. Sometimes, small business owners’ ability to compete for talented employees can be hindered by Federal regulatory or statutory action (or in some cases – inaction). One area of particular importance is tax policy.

Most small businesses find it difficult to stay current on tax laws because so many tax provisions are temporary. Effective only for a few years or even months and regularly extended, these provisions (commonly referred to as tax “extenders”) leave small business owners guessing about their tax liabilities each year. This is in contrast to large firms that often have tax attorneys and accountants on staff to help them get a better grasp of their tax liability in any given year.

While they dislike the uncertainty the extenders provide, most small firms welcome the extension of these provisions because they result in lower tax bills and provide opportunities for to invest in their businesses. Among the most popular are bonus depreciation, Section 179 expensing, and the Research and Experimentation tax credit. I suspect that our witnesses today will give us ideas as to what they would like to see in the extenders package. I am looking forward to hearing your thoughts.

Again, I want to thank all of you for taking the time to testify before us today. I now yield to our Ranking Member, Ms. Chu, for her opening statement.