



**Opening Statement of Chairman Sam Graves
Committee on Small Business
“Tax Landscape for Small Businesses: What’s on the Horizon?”
April 18, 2012**

Good afternoon. This hearing will come to order.

I want to thank our witnesses for being here today. We look forward to your testimony.

This week, as small business owners across the country file their taxes, we consider the tax burden on them. According to the National Federation of Independent Business, federal taxes consistently rank among the top five problems that small business owners face. And a Small Business Administration study found that it costs small- and medium-sized businesses 36% more per employee to comply with regulations than larger ones.

Small business owners face other obstacles, too. Many will be hit with new taxes and tax increases in the health care law, such as the increase in the Medicare payroll tax and an unprecedented Medicare tax on non-payroll income. And if the 2001 and 2003 tax relief is not extended, many small business owners may see their tax bills increase. Already facing rising energy costs and scarce capital, they don’t need tax increases in this struggling economy, too.

We should be fostering an environment where people are rewarded for investment, that’s why we encourage investment in entrepreneurship. But if we are going to penalize those investments by raising taxes on them, then our small businesses will find it even more difficult to access capital.

I agree with Ways and Means Committee Chairman Dave Camp that we need comprehensive tax reform. In the meantime, we must do all that we can to create an environment in which small businesses can thrive.

Again, thanks to our witnesses for their participation. I now yield to our Ranking Member for her opening remarks.