



START-UPS STALLING? THE TAX CODE AS A BARRIER TO ENTREPRENEURSHIP

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AS PREPARED FOR DELIVERY

Good morning. Thank you all for being here. A special thanks to our witnesses, who have taken time away from their busy schedules to be here with us today.

In the coming weeks and months, Congress will have a once-in-a-generation opportunity to pass comprehensive tax reform, the likes of which we have not seen since Ronald Reagan's historic tax reforms in the 1980s.

While economic indicators remain mixed at best, there is no denying that new business creation remains in long-term decline. We hear it from our constituents back home and from the witnesses who come to this hearing room to testify every week.

Entrepreneurs simply aren't taking the kinds of risks they once did and this will have serious economic consequences, both in the short-term and in the long-term.

Entrepreneurs face any number of challenges as they try to start a new business, but a recent National Small Business Association (NSBA) survey found that tax regulatory compliance is the number one most burdensome area.

While there are many reasons for this aversion, including Obamacare and overregulation, today's hearing will focus on what is perhaps the greatest barrier to entrepreneurship: our broken tax code.

For instance, there are a number of specific provisions in the current tax code that directly penalize the risk-taking entrepreneur. In my view, these provisions prioritize government growth through revenue collection over economic growth and that is exactly the wrong approach. We need to keep the bigger picture in mind.

America's entrepreneurs are crying out for tax relief. And we are listening to them as we take action. They want a tax code that is simpler, fairer and flatter so they can start and grow their businesses and turn their dreams into reality.

As we work closely with Chairman Kevin Brady and our colleagues on the House Ways and Means Committee, this Committee will ensure that small business and entrepreneurship is front and center for any tax reform effort this time around.



The bottom line is that our current tax system is working *against* entrepreneurs when it should be working *for* them. We have to do better. And fortunately, with the Better Way agenda as our roadmap, we will do better.

Today we will examine specific barriers in the tax code to entrepreneurship. We will also explore some possible solutions to tear down those barriers.

I am looking forward to hearing from our witnesses today. I now yield to our Ranking Member, Ms. Velázquez, for her opening statement.

