

**OPENING STATEMENT
AS PREPARED FOR DELIVERY**



**Opening Statement of
Chairman Steve Chabot
House Committee on Small Business
“The Sharing Economy: A Taxing Experience for New Entrepreneurs, Part II”
AS PREPARED FOR DELIVERY
May 26, 2016**

Good morning. Thank you all for being here. A special thanks to our witness, who has taken time away from her busy schedule to be here with us today.

We are here today to follow up on a hearing we held earlier this week where we heard from a distinguished panel of experts about the challenges faced by small businesses and entrepreneurs in the new sharing economy.

We heard firsthand about the challenges they are facing in dealing with a broken tax code and outmoded IRS policies that are not designed to accommodate them.

As I said in Tuesday’s hearing, the IRS has not been part of the solution as taxpayers struggle to navigate the new sharing economy. Too often, it has been part of the problem.

This failure has left on-demand platform companies, their workers and their customers confused and frustrated as they try to do the right thing and pay the taxes they owe.

Congressional committees like ours have a duty to provide robust oversight of the IRS and ensure they are providing small businesses with clarity and treating them fairly.

When the IRS is behind the times, it puts small businesses behind the eight ball. This must change.

We are hearing from entrepreneurs across the country that they do not fully understand their tax obligations for sharing economy income. In many cases, they don’t even receive an end-of-the-year statement documenting this income.

As if that wasn't bad enough, here's the real kicker: many on-demand companies say they would gladly provide tax compliance training but they don't because they are afraid the IRS will reclassify their relationship and subject them to whole new host of regulations and obligations.

The current tax and regulatory climate clearly is not working for entrepreneurs in the sharing economy. We must do better and the IRS has a key responsibility here.

I recently noticed that the IRS' own mission statement on its own website says the agency will "provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all."

The time has come for the IRS to live up to this standard and help our entrepreneurs in the new sharing economy.

Today we are pleased to have with us a true expert on these issues, the National Taxpayer Advocate, Nina Olson. She has examined these issues in depth and will share some proposals to address these challenges.

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