

OPENING STATEMENT AS PREPARED FOR DELIVERY



**Opening Statement of
Chairman Steve Chabot
House Committee on Small Business
“S is for Savings: Pro-Growth Benefits of Employee-Owned S Corporations”
AS PREPARED FOR DELIVERY
April 27, 2016**

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

We are pleased to be joined today by our colleagues Reps. David Reichert from Washington and Ron Kind from Wisconsin. They have introduced H.R. 2096, the Promotion and Expansion of Private Employee Ownership Act of 2015. We’ve provided a copy of the section-by-section of the bill for the Members’ information.

I’m also pleased to welcome some very special guests from my district in Warren County, Ohio who are in the audience today.

With National Small Business Week right around the corner, we must do all we can to support America’s 28 million small businesses which are responsible for seven out of every ten new jobs created. As part of that effort, I believe small companies in my home state of Ohio have an important story to tell about what has worked so well for them. In many ways, Ohio’s small businesses can serve as a model for small businesses nationwide.

I am very happy that two of our witnesses, Mr. Hardy and Mr. Strange, have strong ties to Ohio and they will share their stories about one critical way we can support them and job creators like them all across our great country.

Our country was founded on the idea that free markets and free enterprise provide the best economic compass for a free people. At the heart of this idea is the relationship between employers, their employees and the customers they serve.

Too often, government red tape and our broken tax code interfere with this relationship doing a disservice to all involved.

Our economy works best when America's entrepreneurs are free to make their own decisions, take their own risks and run their businesses as they see fit – free from government interference. That is exactly what employee stock ownership programs – or ESOPs – do.

If companies so choose, they can convert employees into owners who share in the profits of the company. This equity lets them share in the American Dream and have a stake in their own future. It also helps them to save money as they plan for their golden years.

S corporations have only been allowed to form ESOPS since 1998. Since then, the research has reinforced what we hear from small businesses all the time – this structure works and it works especially well for many small companies. H.R. 2096 would provide additional help for S corporations interested in forming ESOPs, strengthening these important vehicles.

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