



Weekly Report for October 27, 2017

CAPITOL HILL

House Small Business Committee letter requesting update to Small Business Tax

This week, House Small Business Committee Chairman Steve Chabot (R-OH) sent a letter with Ranking Member Nydia Velázquez (D-NY) to House Committee on Ways and Means Chairman Kevin Brady (R-TX) and Ranking Member Richard Neal (D-MA) requesting the Committee consider H.R. 3717, the Small Business Owners' Tax Simplification Act. H.R. 3717 which would update the tax code for small businesses, startups, and entrepreneurs.

In the letter, Chairman Chabot and Ranking Member Velázquez stated:

“The outsized role small businesses have on the economy cannot be disputed. They are the country’s job creators, they are our nation’s innovators, and they are transforming communities from coast to coast. However, the tax code continues to disproportionately impact the smallest firms, which often do not employ armies of experts to handle and calculate their taxes. Moreover, the tax code has simply not kept pace with today’s technology-focused companies that are altering how businesses reach and interact with customers.”

“As the Committee on Ways and Means discusses tax reform, we request that you consider the role small businesses have on our economy, along with the provisions outlined in H.R. 3717. In addition to the priority of cutting tax rates for small firms, this bill offers practical and common sense ideas that will truly impact every small company. It addresses the feedback our Committee has heard again and again – to simplify and streamline the tax code. At the end of the day, when small businesses are growing and expanding, so does the American economy.” Read the full letter [here](#).

“Financing Through Fintech: Private Sector Solutions in Improving Small Business Capital Access” *House Small Business Committee Press Release*, October 26, 2017. Retrieved from smallbusiness.house.gov

Members of the House Small Business Committee Subcommittee on Economic Growth, Tax, and Capital Access heard from a group of financial technology (fintech) leaders on online lending’s role in improving small business capital access. “The amount of community banks in the United States has fallen dramatically in recent years, and regulations such as Dodd-Frank have made it more difficult for small businesses to acquire loans through traditional means,” said Subcommittee Chairman Dave Brat (R-VA). “One private sector solution that has grown considerably in recent years to address this credit gap is online lending.”

Industry insiders believe that small businesses need choices when applying for credit and believe Fintechs can help. “Fintechs have provided three critical benefits to the supply of credit to small businesses,” said William Phelan, President and Co-Founder of PayNet, Inc. in Skokie, IL. “First, they have figured out technology platforms to lower the cost of processing a credit application; second, they have changed the expectations among small businesses for access to and speed for working capital credit; third, they are filling the credit gap faced by small businesses across the credit spectrum and industry sectors.” For more information visit [here](#).

“GAO Audit Reveals Half-Measures Taken by Small Business Advocates” *House Small Business Committee Press Release*, October 25, 2017. Retrieved from smallbusiness.house.gov

On October 25, 2017, Members of the House Small Business Committee Subcommittee on Contracting and Workforce heard from a panel of government officials on the comprehensive audit of the Offices of Small and Disadvantaged Business Utilization (OSDBUs) by the Government Accountability Office. “In order to protect and preserve the interests of small businesses across the federal government, each agency with procurement powers has its own OSDBU office,” said Subcommittee Chairman Steve Knight. “It is our responsibility to conduct proper oversight by asking them to explain why they are noncompliant, and explore options to remedy the situation.”

“Senate committee postpones nomination votes for OPM director, deputy” *Federal News Radio*, October 25, 2017. Retrieved from federalnewsradio.com

The Senate Homeland Security and Governmental Affairs Committee was scheduled to vote Wednesday morning on the nominations for both the director and deputy director of the Office of Personnel Management, but the vote has been postponed indefinitely. “At this time, the committee cannot proceed to a vote on the nominations of OPM director and deputy director until OPM complies with the chairman’s request for documents related to the development of OPM’s regulation that exempted members of Congress from Obamacare,” a committee spokeswoman wrote in an email to Federal News Radio. Jeff Pon and Michael Rigas, President Donald Trump’s picks to be OPM director and deputy director, respectively, were set to receive votes from the Senate committee. It was also supposed to clear the nomination for Emily Murphy, the president’s nominee to be the administrator of the General Services Administration, according to the committee’s Wednesday meeting agenda.

“Shaheen Statement on Women’s Entrepreneurship” *Senate Committee on Small Business & Entrepreneurship Press Release*, October 26, 2017. Retrieved from sbc.senate.gov

On October 26, 2017, Senate Small Business Committee Chairman James Risch convened a hearing to consider ways to strengthen the entrepreneurial ecosystem at the local, state, and federal level for women entrepreneurs and women small business owners across the nation. Senator Jeanne Shaheen (D-NH), the lead Democrat on the U.S. Senate Committee on Small Business & Entrepreneurship, delivered the opening statement at a

hearing examining the challenges facing women entrepreneurs and strategies to strengthen the entrepreneurial ecosystem for more women.

“Despite the success stories and other positive trends, women-owned businesses still face headwinds. On average, they earn less than male-owned firms. They employ only 8 percent of the nation’s private workforce and produce 4 percent of business revenues – a share that has remained the same for 20 years. The question facing us today is: why?”

One reason is that women entrepreneurs face institutional barriers to starting and growing businesses that make achieving a level playing field with male entrepreneurs a challenge. An upcoming study by the Democratic staff of this committee found several factors that contribute to this gender gap including: fewer role models and mentors for women entrepreneurs, a gender pay gap and unequal access to startup funding and financing.”

You can view a recording of the hearing [here](#).