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Poll: Small Business Owners Say Big Businesses, Millionaires Not Paying Fair Share of Taxes

90 percent of small business owners in nationwide poll say big corporations use loopholes to avoid taxes that small businesses have to pay; majority support increasing taxes on millionaires and letting high-end tax cuts expire

Washington, DC – Small business owners see corporate tax loopholes and accounting gimmicks used to shift U.S. profits offshore to avoid taxes as serious problems, according to an independent nationwide opinion poll released today. Small business owners think big corporations and the wealthy don't pay their fair share of taxes, the poll shows. They support increasing taxes on millionaire incomes, letting high-end tax cuts expire, and closing the carried interest loophole that gives big tax breaks to hedge fund managers.

These are among the key findings summarized below of a scientific nationwide survey of small business owners released by the American Sustainable Business Council, Main Street Alliance and Small Business Majority. [Click here](#) to read the report.

"I've been in business 32 years, and I'm appalled at how big corporations and millionaires have shrunk their taxes," said Lew Prince, managing partner of Vintage Vinyl, an independent music store in St. Louis, MO. "Ingrates like Amazon wouldn't even exist without the Internet, which grew out of government research. The least that big corporations and their executives could do is pay their fair share for the roads, ports, education, research, public safety and everything else that tax dollars buy."

"When big corporations like GE use loopholes and tax havens to avoid paying taxes, they're starving our country of the revenues we need to invest in our communities and our future," said Amanda Harrow, director of the Montana Small Business Alliance, a statewide network of small businesses. "Small business owners know that to build vibrant local economies we have to invest in education, infrastructure and building a healthy customer base. When big corporations that benefit from these essential investments don't do their part to support them, they're jeopardizing our future. That's unacceptable."

"We need a Buffett Rule for wealthy individuals *and* a GE Rule for corporations," said Scott Klinger, director of tax policy for Business for Shared Prosperity, a partner in the American Sustainable Business Council. "Warren Buffett spotlighted the madness of a tax code that lets him pay a lower rate than his secretary. Likewise, U.S. multinational corporations who shift U.S. profits offshore to avoid taxes shouldn't be rewarded with a tax rate below Main Street employers."

“Small businesses are the backbone of the economy, yet they feel the playing field is tilted in big businesses' favor and small firms are at a disadvantage when it comes to taxes and corporate loopholes,” said John Arensmeyer, founder and CEO of Small Business Majority. “Our economy needs to work for everyone. Policymakers need to listen to small businesses and level the economic playing field. If they do, we will all benefit from what small businesses can offer.”

Key findings from the survey include:

- Nine out of ten small business owners say big corporations use loopholes to avoid taxes that small businesses have to pay: 92 percent say big corporations' use of such loopholes is a problem. Three-quarters of owners say *their small business is harmed* when loopholes allow big corporations to avoid taxes.
- Nine out of ten small business owners say that U.S. multinational corporations' use of accounting loopholes to shift their U.S. profits to their offshore subsidiaries to avoid taxes is a problem: 91 percent agree it is a problem, with 55 percent saying it's a very serious problem. When asked what would do the most to create jobs, small business owners chose eliminating incentives to move jobs overseas.
- Small business owners say big corporations are not paying their fair share of taxes: 67 percent believe big corporations pay less than their fair share. An even bigger majority, 73 percent, says multinational corporations pay less than their fair share.
- Small business owners say millionaires pay less than their fair share in taxes: 58 percent say households whose annual income exceeds \$1 million pay less than their fair share.
- Small business owners support a higher tax rate for individuals earning more than \$1 million: 57 percent agree that individuals earning more than \$1 million a year should pay a higher tax rate on the income over \$1 million.
- Small business owners want to eliminate the “carried interest” loophole that gives hedge fund managers a big break on their taxes: 81 percent favor hedge fund managers paying taxes at the ordinary income tax rate, which currently tops out at 35 percent, rather than the 15 percent capital gains rate they pay now.
- Small business owners support ending upper-income tax cuts: 51 percent say Congress should let tax cuts on taxable household income over \$250,000 a year expire (only 40 percent believe they should be extended).
- Respondents in this scientific national survey were politically diverse, with a majority Republican or independent-leaning Republican: 50 percent identified as Republican (27 percent) or independent-leaning Republican (23 percent); 32 percent as Democrat (14 percent) or independent-leaning Democratic (18 percent); and 15 percent as independent.

For more information on these poll findings, visit:

http://www.asbcouncil.org/uploads/Taxes_Poll_Report_FINAL.pdf

<http://mainstreetalliance.org/5535/poll-taxes/>

http://www.smallbusinessmajority.org/small-business-research/downloads/020612_Taxes_Poll_Report.pdf

Poll results reported in this statement represent findings from a scientific national survey of 500 small business owners, commissioned by the American Sustainable Business Council, Main Street Alliance and Small Business Majority, and conducted by Lake Research Partners. The nationwide Internet survey was conducted between December 8, 2011, and January 4, 2012. It has a margin of error of +/- 4.4%.

The American Sustainable Business Council is a powerful coalition of business networks representing over 100,000 companies and 200,000 business leaders. ASBC advocates for public policies that meet the realities of the 21st century global economy. www.asbcouncil.org

The Main Street Alliance is a national network of state-based small business coalitions. MSA creates opportunities for small business owners to speak for themselves on issues that impact their businesses and local economies. www.mainstreetalliance.org

Small Business Majority is a national nonpartisan small business advocacy organization, founded and run by small business owners, and focused on solving the biggest problems facing America's 28 million small businesses. We conduct extensive opinion and economic research and work with small business owners, policy experts and elected officials nationwide to bring small business voices to the public policy table. www.smallbusinessmajority.org