

**Crapo Statement at Roundtable on Tax Complexities Faced by Small Businesses**  
*June 7, 2023*

**Washington, D.C.**--U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at a joint Finance Committee and Senate Small Business Committee roundtable entitled "Tackling Tax Complexity: the Small Business Perspective."

*As prepared for delivery:*

"Thank you, Chairman Wyden and Chairman Cardin, for holding this roundtable.

"And a big thank you to Ms. Camarillo, who flew out from Idaho to join us today. Stephanie and I go back a long way – she actually served as a Senate Page for me when I was in the Idaho State Senate. She's had a big impact on the small business landscape in Idaho, and I am eager to hear her perspective today.

"Small businesses drive our economy, and are particularly essential to Idaho's economy.

"More than 99 percent of Idaho's businesses are small businesses, employing over 347,000 Idahoans and spurring local innovation.

"Unfortunately, despite all that small businesses do for the American economy, the federal government does not always return the favor in kind.

"Too often, the impact on small businesses is not properly evaluated before misguided government policies are enacted.

"The financial burden of increased taxes and compliance costs resulting from a complicated tax system and regulatory environment make it hard for small businesses to make sound financial decisions. When coupled with uncertainty about future tax policy changes and Internal Revenue Service (IRS) enforcement, those decisions become nearly impossible.

"According to the latest National Federation of Independent Business (NFIB) annual tax survey, nearly two-thirds of small business owners reported that the administrative burden of the federal tax code is significant.

"Further, 90 percent of small business respondents hired an outside tax professional to prepare and submit their tax returns. 'Compliance' and

'complexity' were determined to be the leading factors in a small business's decision to hire a tax professional.

"While the amount due is not the only tax concern, American small businesses and workers continue to face elevated inflation, as well as workforce and supply-chain challenges. Therefore, it is critical that our tax system promotes U.S. jobs, U.S. manufacturing and higher wages for hardworking families.

"Pro-growth policies in Republicans' 2017 tax law led to one of the strongest economies in decades: low unemployment, a low poverty rate, strong wage growth, high median incomes, increased investment and record federal tax revenues.

"To give small businesses certainty and incentive to grow and compete in the domestic and international economies, we should preserve these policies and explore additional opportunities to promote growth, increase investment, and encourage research and development in the United States.

"We need to get the government out of the way of the small business engine of our economy.

"Removing the disincentive of complex and high taxes and costly regulations will allow small businesses to go out and do what they do best--create jobs and growth in the economy by providing valuable goods and services to their customers.

"Thank you to all of the witnesses participating today. I look forward to hearing from all of you."