

March 22, 2021

The Honorable Chuck Hufstetler
Chairman, Senate Finance Committee
121-C State Capitol
Atlanta, GA 30334

The Honorable John Albers
Vice Chairman, Senate Finance Committee
421-C State Capitol
Atlanta, GA 30334

RE: The addition of EITC to the Tax Relief Act of 2021

Dear Chairman Hufstetler, Vice Chairman Albers and Members of the Committee:

As a representative of the 30 million small businesses in America and the 1.1 million in Georgia, Small Business Majority writes today to ask you to add language establishing a state earned income tax credit (EITC) from HB 510 to HB 593, the Tax Relief Act of 2021, which would put money directly in the pockets of small business owners and stimulate local economies.

Small Business Majority empowers Georgia's diverse entrepreneurs to build a thriving and equitable economy. Along with our Georgia Small Business Council, we engage 3,300 small business owners across the state to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth. A key component of our work in Georgia involves outreach to small business owners on a range of small business issues, including access to capital, workforce issues, healthcare and more.

Georgia's small businesses are still struggling one year into the COVID-19 pandemic, and a state EITC program would help them by bolstering the economic security of low to moderate-income entrepreneurs and small business employees. This is particularly important to Georgia's economic success because the majority of small businesses are solo enterprises, and the median income for self-employed individuals at their own unincorporated firms was just \$25,064 in 2018, according to the U.S. Small Business Administration.

The goals of both HB 593 and a Georgia Work Credit are to reduce the amount of income tax owed by working families, but an EITC provides more targeted and meaningful benefits—and could be implemented as a direct payment to avoid running afoul of the guidelines in the ARPA. It's also important to note that this type of legislation is widely supported by small business owners. According to recent polling, nearly 6 in 10 (58%) Georgia small business owners support establishing an EITC program for low-income employees and self-employed business owners.¹

A sustainable economic recovery lies in the hands of our local small businesses—the lifeblood of our economy. I strongly urge you to vote to add EITC to HB 593 and support small business recovery across the state of Georgia.

Sincerely,

Rachel Shanklin
Georgia Outreach Manager

¹ Small Business Majority, March 2021, "Georgia small business owners continue to face setbacks from the pandemic, identify policy solutions to support their businesses." <https://smallbusinessmajority.org/our-research/georgia-small-business-owners-continue-face-setbacks-pandemic-identify-policy-solutions-support-their-businesses>