

April 23, 2021

The Honorable Joe Biden  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

*Re: The First 100 Days and Address Before Joint Congress*

Dear Mr. President:

As a leading representative of America's 30 million small businesses, we offer the following recommendations on what small businesses are hoping to hear in your remarks when you address Congress on Wednesday, April 28. Additionally, we provide insights on the status of key policy recommendations we made during your Administration's first 100 days in office and what we look forward to seeing accomplished during your Administration.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,000 business organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

### **The First 100 Days**

A thriving small business ecosystem is central to creating a dynamic and inclusive economy. However, plunging revenues to shuttered storefronts caused by the COVID-19 public health crisis have driven small businesses to the brink of collapse. More than 1 and 3 small businesses in our network, including 41% of Black and Latino-owned businesses, reported they would not survive without additional relief. That's why we called on the Administration to focus on bold policies that create intelligent solutions to support our small business community while rebuilding a more resilient economy.

Your Administration has tackled several recommendations we made for the first 100 days in office, including delivering another round of comprehensive stimulus relief via the American Rescue Plan (ARP). The ARP allocated critical dollars for new and existing small business programs including, the Economic Injury Disaster Loan Program Advance Grant, the Shuttered Venue Operators Grant, and the Restaurant Revitalization Fund, and re-establishing the State Small Business Credit Initiative. Additionally, providing additional dollars for unemployment insurance, expanding access to healthcare, and boosting state and local aid will help small businesses and American families alike.

### **The American Jobs Plan**

Small businesses rely on physical infrastructure for their operations more than many larger businesses do because they don't have their own infrastructure capabilities. Unpaved roads, crumbling bridges, slow supply chains, and weak broadband can break a small business owners' ability to efficiently run their company. That's why [we particularly support](#) the following provisions in the American Jobs Plan that will be critical to their success. Congress must work with the Administration to pass this measure for our long-term recovery. The American Jobs Plan would also help to address the inequity in the tax code which favors big business and the wealthy over small businesses and consumers.

- **Physical and broadband infrastructure projects:** Investing in our physical infrastructure supports access to customers and suppliers, enhances business operations and creates demand for the goods and services small businesses must sell. Further, the lack of broadband access for tribal and rural small businesses is a significant obstacle to conducting business, which is why increasing broadband infrastructure would support growth and access to markets.
- **Small business contracting:** Although the federal government has small business contracting standards in place, these minimum standards are rarely met, particularly for women- and minority-owned businesses. That is why it's critical that these standards are not only met, but exceeded, if we want to see small businesses rebound from the pandemic.
- **Increase investments towards lending and investment capital:** Many small businesses, particularly those owned by women and people of color, struggle to access responsible sources of capital. That is why increasing investments in SBA's 7(a) Loan Program would help increase access to credit and encourage growth and expansion in the small business ecosystem.
- **Address inequities in the tax code that favor larger businesses:** [Our polling](#) found that 85% of small businesses feel the tax code unfairly benefits large corporations over small businesses. That is why we support provisions in the American Jobs Plan that level the playing field such as establishing a 15% minimum tax on the profits that corporations report to their investors and a 21% tax rate on corporate offshore profits.

With respect to the corporate tax rate increase to 28%, to alleviate the burden on the smallest of businesses, we propose the following graduate tax brackets:

- First \$0-25,000: 0%
- Next \$25,0001-75,000: 15%
- Next \$75,001-150,000: 21%
- Next \$150,001-300,000: 25%
- Next \$300,001 and above: 28%

### **Additional policies to support small business**

As you prepare your remarks for next week, we hope that they might provide updates on the status of the following recommendations we have made that have not yet been realized. These are still very top-of-mind for small businesses, and they are still looking for answers to help them plan their recovery. They look forward to hearing about:

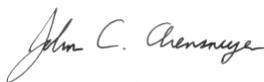
- **Flexible and unrestricted grants for the smallest of businesses:** While PPP and EIDL provided a crucial lifeline for many businesses, the programs' rollout, technical errors, and restrictive loan parameters caused many small businesses—especially newer businesses and under-resourced communities—to fall through the cracks. That is why we hope the Administration will encourage Congress to provide small businesses with [unrestricted funding](#), particularly for the smallest of businesses that are not eligible for current grant programs.
- **Monitor and continue to improve PPP and EIDL:** The Administration's changes to PPP on February 22nd, 2021, were pivotal but largely too late for many small businesses. Furthermore, small businesses continue to struggle to appeal their EIDL denials and receive a full \$10,000. Congress should pass the PPP Flexibility for Farmers, Ranchers, and the Self-Employed Act and see-through EIDL forgiveness for loans under \$150,000 to provide parity with PPP. Both measures would enormously support small businesses that have been undervalued, underfunded, and under-resourced.
- **Protect small businesses through the Small Business Lending Disclosure and Broker Regulation Act:** This measure would extend the Truth in Lending Act disclosure

requirement to small business loans and credit products. Unfortunately, small businesses have fallen prey to predatory lenders during an already tumultuous time.

- **Make permanent the American Rescue Plan’s healthcare provisions:** To provide small businesses, entrepreneurs, and employees with access to long-term affordable coverage the healthcare provisions listed must be made permanent.
- **Address the costs of prescription drugs:** The Administration must work with Congress to address the high cost of prescription drug prices, which hurt small business owners’ bottom lines.
- **Pass comprehensive immigration reform and find a long-term solution for recipients of Deferred Action for Child Arrivals (DACA):** The recent Executive Order, which calls on Homeland Security to take all actions to “preserve and fortify” DACA, will help strengthen immigration policy in the United States. Congress and the Administration must work together to pass a commonsense immigration policy that would support a path to citizenship, including for DACA recipients.
- **Require the Small Business Administration (SBA) to collect demographic data:** For small businesses and policymakers to know whether funds were equitably distributed, it is essential that the SBA collect demographic data. Although the PPP application deadline is approaching, and funds for it and other federal relief programs are running dry, we must ensure that they are being disbursed equitably.
- **Pass a comprehensive student loan forgiveness plan:** Student loan debt continues to grow in the United States. Student debt becomes an obstacle for young entrepreneurs who pursued a degree to improve their lives, but then find their access to capital restricted. This must be a priority among the Administration to spur entrepreneurial growth.

Mr. President, in your Administration's first 100 days, you have demonstrated that small businesses are not just the backbone of the American economy—they are the entire structure as centers of job creation, innovation, and empowerment in local communities. The COVID-19 pandemic has ravished our small business community, and you have started to enact policies that address some of the significant challenges facing small businesses. However, even after this pandemic ends, there will still be problems plaguing our small businesses. As an organization that helps give a voice to small businesses, we hope you address their concerns in your address to Congress next week. We thank you for the help you have provided thus far, and we look forward to working with your Administration to bring more positive changes to small businesses.

Sincerely,



John Arensmeyer  
Founder and CEO

Cc:

The Honorable Chuck Schumer, Senate Majority Leader

The Honorable Mitch McConnell, Senate Minority Leader

The Honorable Nancy Pelosi, Speaker United States House of Representatives

The Honorable Kevin McCarthy, House Minority Leader