

Survey Toplines

Opinion Poll: Small businesses support Section 199A reform and bottom-up tax benefits

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Download the full report from our website: <https://smallbusinessmajority.org/our-research/taxes-budget-economy/small-businesses-support-section-199a-reform-and-bottom-tax-benefits>

Methodology

This survey, conducted by Small Business Majority from April 18-22, 2025, was an online panel of 504 small business owners nationwide. The sample is politically mixed: 41% of respondents are/lean Republican, 36% are/lean Democrat and 21% are independents. The margin of error is +- 4% at a 95% confidence level.

1. Are you the owner of a for-profit small business?

Yes.....100%

2. How many people does your company employ, including yourself? Please include full-time and part-time employees, but do not include independent contractors.

Self-employed25%
 Small business, 2-10 employees49%
 Small business, 10-24 employees13%
 Small business, 25-49 employees7%
 Small business, 50-74 employees5%
 Small business, 75-100 employees2%
 More than 100 employees.....0%

3. Which of the following categories best describes your business?

Agriculture and Mining2%
 Consulting and Business Services11%
 Education and Youth Services3%
 Energy and Utilities1%
 Engineering1%
 Food and Beverage5%
 Health, Beauty, and Fitness3%
 Healthcare, Pharmaceuticals and Biotech4%
 Insurance and Financial Services4%
 Manufacturing3%
 Media and Entertainment4%
 Nonprofit1%

Other Services	19%
Real Estate and Construction	15%
Retail Service and Consumer Services	13%
Software and Internet	2%
Technology, Computers and Electronics	3%
Telecommunications	0%
Transportation and Storage.....	3%
Travel, Recreation, and Leisure	2%
Wholesale and Distributors	3%

4. For you personally, is your business your only source of income, your primary source of income, or a secondary source of income?

Only source of income	46%
Primary source of income	37%
Secondary source of income	15%
The business is not earning revenue.....	1%
Other	0%

5. What is your business' annual revenue?

Less than \$25,000	11%
\$25,000 to \$49,999.....	11%
\$50,000 to \$99,999.....	19%
\$100,000 to \$249,999.....	16%
\$250,000 to \$499,999.....	11%
\$500,000 to \$999,999	13%
Over \$1 million	15%
Prefer not to say.....	1%

6. How long has your business been in operation?

Less than 2 years.....	11%
2 to 5 years.....	24%
6-10 years.....	20%
More than 10 years	45%

7. Do you think the country is on the right track or the wrong track?

Right track	39%
Wrong track	52%
I don't know	9%

8. How optimistic or pessimistic are you about your business prospects over the next six months?

Very optimistic.....	23%
Somewhat optimistic	32%
Neither optimistic or pessimistic.....	17%
Somewhat pessimistic.....	17%
Very pessimistic	11%
I don't know	1%

9. How optimistic or pessimistic are you about the U.S. economy over the next six months?

Very optimistic.....	16%
Somewhat optimistic	25%
Neither optimistic or pessimistic.....	10%
Somewhat pessimistic.....	20%
Very pessimistic	28%
I don't know	1%

10. Please rank the overall state of your business, where 1 indicates that your business is performing very poorly and 5 indicates that your business is performing very well.

1 - Performing very poorly	2%
2	7%
3	38%
4	34%
5 - Performing very well.....	18%

11. Not accounting for seasonality, in the past three months, has your revenue increased, decreased or stayed the same?

Increased	30%
Decreased	23%
Stayed the same	47%

12. Not accounting for seasonality, in the past three months, have your expenses increased, decreased or stayed the same?

Increased	49%
Decreased	8%
Stayed the same	43%

13. Not accounting for seasonality, in the past three months, has the number of people you employ increased, decreased or stayed the same?

Increased	10%
Decreased	7%
Stayed the same	82%

14. How do you complete your individual federal taxes?

I use tax software such as TurboTax, H&R Block or FreeTaxUSA	45%
I do them myself on paper or through IRS' Direct File system	7%
I have a chief financial officer, controller or other employee at my business who does them	6%
I use a third-party accountant or other tax preparer	41%
Other	2%

15. How is your business organized?

C-corporation.....	7%
S-corporation.....	13%
Partnership	5%
Limited liability corporation.....	29%
Sole proprietorship/self-employed.....	45%
Other	0%

16. What was your household's adjusted gross income last year?

Under \$50,000.....	16%
\$50,000 to \$99,999.....	37%
\$100,000 to \$249,999.....	32%
\$250,000 to \$499,999.....	8%
\$500,000 to \$999,999	3%
Over \$1 million	2%
I don't know.....	1%

17. Did your business earn a profit last year?

Yes.....	86%
No	12%
My business was not in operation last year	2%

18. What was your business' net income last year? (Net income is the business' profit or loss after expenses and other deductions are taken into account.)

The business had a loss or no income.....	8%
Under \$75,000	40%
\$75,000 to \$124,999	14%
\$125,000 to \$249,999	13%
\$250,000 to \$499,999.....	9%
Over \$500,000	12%
I don't know.....	3%

19. Below is a series of statements some have made about the federal tax system. For each of the following, please indicate whether you agree or disagree with the statement

The tax system favors large corporations over small businesses like mine

Strongly agree	45%
Somewhat agree.....	31%
Neither agree nor disagree.....	14%
Somewhat disagree	6%
Strongly disagree	3%
I don't know	1%

Wealthy individuals do not pay their fair share of taxes

Strongly agree	39%
Somewhat agree.....	24%
Neither agree nor disagree.....	12%
Somewhat disagree	11%
Strongly disagree	11%
I don't know	2%

Large corporations do not pay their fair share of taxes

Strongly agree	44%
Somewhat agree.....	24%
Neither agree nor disagree.....	12%
Somewhat disagree	8%
Strongly disagree	9%
I don't know	3%

Tax cuts are important, but decreasing the federal deficit is also important

Strongly agree	34%
Somewhat agree.....	40%
Neither agree nor disagree.....	18%
Somewhat disagree	6%
Strongly disagree	2%
I don't know	1%

Large corporations unfairly leverage their foreign presence to reduce their U.S. tax liability

Strongly agree	38%
Somewhat agree.....	30%
Neither agree nor disagree.....	21%
Somewhat disagree	5%
Strongly disagree	2%
I don't know	4%

Reducing taxes for large businesses allows these companies to create more jobs

Strongly agree	14%
Somewhat agree.....	29%
Neither agree nor disagree.....	25%
Somewhat disagree	15%
Strongly disagree	14%
I don't know	2%

Providing small businesses with tax cuts allows owners to reinvest in their company and create more jobs

Strongly agree	50%
Somewhat agree.....	37%
Neither agree nor disagree.....	9%
Somewhat disagree	3%
Strongly disagree	2%
I don't know	0%

Tax cuts should primarily benefit smaller businesses, as opposed to the current system in which the vast majority of tax breaks flow to a small percentage of larger companies

Strongly agree	44%
Somewhat agree.....	32%
Neither agree nor disagree.....	17%
Somewhat disagree	5%
Strongly disagree	1%
I don't know	1%

Cutting taxes across the board increases the deficit, which could increase inflation and keep interest rates high

Strongly agree	14%
Somewhat agree.....	30%
Neither agree nor disagree.....	25%
Somewhat disagree	15%
Strongly disagree	10%
I don't know	5%

The Section 199A Qualified Business Income (QBI) Deduction was enacted through the 2017 Tax Cuts and Jobs Act. It allows the deduction of up to 20% of eligible business income for federal taxes. This deduction applies to “pass-through” businesses, where the owners’ business income is recognized on their personal returns. Various types of businesses can claim the deduction, including sole proprietorships, limited liability corporations, partnerships, S-corporations, estates, trusts and some rental businesses.

20. Prior to this survey, were you aware of the 20% tax deduction for most pass-through business income?

Yes.....54%
 No46%

21. Did you claim the 20% pass-through deduction in your most recent tax filing?

Yes.....33%
 No41%
 My business just started4%
 I don't know21%

22. Currently, 73% of the benefits under 199A go to fewer than 5% of business owners. As policymakers consider changes to expiring provisions of the TCJA, including this one, which of the following adjustments would you recommend?

The current structure should be changed to prioritize smaller businesses83%
 The current structure is fair as higher earners should benefit more3%
 I don't know14%

23. Instead of the current 199A 20% deduction, which provides greater benefit to those making more money, would you support or oppose a policy that would allow business owners to deduct their first \$25,000 in profit? This would benefit smaller businesses with lower profits (specifically, businesses with under \$125,000 in profit would get a larger deduction than they do now).

Strongly support39%
 Somewhat support.....35%
 Neither support nor oppose.....16%
 Somewhat oppose.....3%
 Strongly oppose1%
 I don't know6%

24. The Inflation Reduction Act increased tax credits that lower healthcare premiums for those buying health insurance in the Affordable Care Act marketplaces, benefiting more middle-income individuals. Those additional tax credits expire at the end of 2025. Do you support extending the credits or letting them expire?

Extend credits74%
 Let them expire.....14%
 I don't know12%

25. Right now, capital gains are taxed at a rate of up to 20%, unlike the generally higher rates on ordinary income. There are proposals to bring the capital gains tax rate in line with ordinary income for individuals with more than \$1 million in income. Do you support or oppose such a change?

Strongly support	18%
Somewhat support	27%
Neither support nor oppose.....	28%
Somewhat oppose	11%
Strongly oppose	8%
I don't know	8%

26. How concerned are you about cuts to the SBA and its programs, including the 7(a) loan program, Small Business Development Center networks and other small business supports?

Very concerned	36%
Somewhat concerned.....	29%
Not very concerned	21%
Not concerned at all.....	12%
I don't know	2%

27. The 2022 Inflation Reduction Act provided \$80 billion in additional funding to the IRS to improve customer service, aid tax filers, including small businesses, and step up audits of wealthy individuals and larger companies. There are proposals to eliminate this extra IRS funding. Would you support or oppose cutting funding for the IRS?

Strongly support	24%
Somewhat support.....	21%
Neither support nor oppose.....	19%
Somewhat oppose	16%
Strongly oppose	16%
I don't know	5%

28. The following are some functions of the IRS. For each, indicate whether you believe the agency needs additional funding to properly execute them.

Improving customer service

Yes.....	68%
No	23%
I don't know	8%

Providing tax filing assistance

Yes.....	64%
No	30%
I don't know	7%

Auditing wealthy taxpayers

Yes.....	62%
No	27%
I don't know.....	12%

Auditing large corporations

Yes.....	68%
No	23%
I don't know.....	9%

Auditing individuals

Yes.....	20%
No	69%
I don't know.....	11%

29. Through executive order, President Trump recently dismantled the Community Development Financial Institution (CDFI) Fund, which supports nonprofit lenders that provide financing to small businesses. Do you agree or disagree with the president's decision to dismantle the CDFI Fund?

Strongly agree.....	13%
Somewhat agree.....	16%
Neither agree nor disagree.....	17%
Somewhat disagree.....	15%
Strongly disagree.....	34%
I don't know.....	6%

30. Through executive order, President Trump recently dismantled the Minority Business Development Agency, which since 1969 has provided technical assistance and training to entrepreneurs. Do you agree or disagree with the president's decision to dismantle this agency?

Strongly agree.....	17%
Somewhat agree.....	16%
Neither agree nor disagree.....	16%
Somewhat disagree.....	13%
Strongly disagree.....	34%
I don't know.....	4%

31. What is your current gender identification?

Male	53%
Female	47%
Non-binary	1%
A gender not listed here.....	0%
Prefer not to answer.....	0%

32. Do you identify with any of the following racial or ethnic groups?

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian	3%
Black, African or African American	15%
Hispanic, Latino/a or Spanish Origin.....	6%
Middle Eastern or North African	1%
Native American or Alaskan Native.....	1%
Native Hawaiian or Other Pacific Islander	0%
White or Caucasian.....	70%
Multi-racial	2%
Prefer not to answer.....	1%
Other.....	1%

33. What is your political affiliation?

Democrat	26%
Independent - Lean Democrat.....	10%
Independent - No or third party affiliation.....	21%
Independent - Lean Republican	13%
Republican	28%
Prefer not to answer.....	2%