

# **2004: The Year in Microbusiness Policy**

*Legislative Report on the 108<sup>th</sup> Congress,  
Second Session*

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## Overview

In last year's Legislative Report, we noted the lack of action that had made the first session of the 108<sup>th</sup> Congress a fairly disappointing one for legislation that might be expected to help microbusinesses. The second session turned out to be more or less the same stuff, different day.

House Small Business Committee Chairman Don Manzullo (R-IL) continued with his single-minded focus on small manufacturers, with occasional breaks for other things, and the Senate Committee on Small Business and Entrepreneurship spent most of the session twiddling its thumbs waiting for House action on the Small Business Administration's re-authorization legislation.

The tortuous process by which the SBA finally got itself re-authorized, and the equally painful process of securing its fiscal 2005 budget were the big microbusiness legislative stories for the year. But there's another story here, and that is an alarming deterioration of relations between the House and Senate, as well as between Republicans and Democrats, that has occurred during President George W. Bush's first term, and has accelerated rather alarmingly during this most recent Congressional session. It has been a sad thing to watch.

There are multiple reasons for the worsening relations among everybody on Capitol Hill who purports to care about small businesses. For starters, the fabled bipartisanship of these Committees has pretty much gone down the drain, partly because of the strong-arm tactics favored by House Majority Leader Tom DeLay and partly because of the candidacy of Senate Small Business Committee Ranking Member John Kerry (D-MA).

One might be forgiven for coming to the conclusion, after watching Congressman Manzullo in action during the past year, that he has *ambitions* within his party. With the House flexing its majority muscles in frankly hypocritical fashion (in light of their complaints about the same sort of thing when the Democrats were in charge), Chairman Manzullo evidently decided that he was going to climb onto the bandwagon and be a good Republican, at the expense of his working relationship with Ranking Member Nydia Velázquez.

That choice manifested itself in two ways. First, Manzullo was charged by the House leadership to do his mite to revive small business manufacturing, and he has been *completely* focused on that task for both sessions of the 108<sup>th</sup> Congress. In doing so, he has turned a deaf ear to the claims that almost every other small business issue — except those perennial GOP favorites, taxes and regulations — might make on his time and attention.

He has also apparently been turning a deaf ear to Committee Democrats and, in particular, to Ranking Member Velázquez. It has been very clear in her communications with the press that she has spent much of this session in an agony of frustration at the way her colleagues across the aisle have been ignoring her and her fellow Democrats.

An illustrative and illuminating case in point is the way both House and Senate Democrats were firmly excluded from the process by which the SBA re-authorization finally got passed. We'll look at that a bit more closely in a moment.

Over in the Senate, the problem was a little different. Olympia Snowe, Republican of Maine, cannot be said to be yet another of those Congressional yes-men. In fact, she has repeatedly made headlines as one of the few moderate Republicans in the Senate who have been giving President Bush migraines over the last few years.

That doesn't mean that she's been able to do much. For one thing, she sits on a few high-powered Committees that take up a bit more of her time under this Administration, like the Senate Finance Committee. Then, too, the Senate Small Business Committee has spent much of the year waiting for the House to pass its version of the SBA re-authorization. There were legislative proposals sitting in the pending tray in the Senate that they weren't going to tackle until that big job was done.

In addition to that, there was the slight complication presented to the Committee by the fact that its Ranking Member was running a campaign to oust the current Administration. Running for president left Senator Kerry with little time to devote to the Senate Small Business Committee, a fact that does not seem to matter much since he didn't really miss anything.

Parenthetically, it is interesting to note that both candidates on the Democratic presidential ticket were members of this Committee. Under the circumstances, you might have expected the Kerry/Edwards campaign to make more of a play for the small business vote since small business issues were so obviously a particular strength of the ticket. They didn't do that, however; I can't even begin to speculate as to why. And, while I'm not prepared to say it cost them the election, I am willing to venture the opinion that the failure to court small business voters didn't help them, either.

Senator Edwards is gone now but Senator Kerry will be back next month to resume his position as Ranking Member of the Senate Small Business Committee. If it turns out that the Committee becomes more active during the 109<sup>th</sup> Congress, we will all get to speculate at this time next year as to whether his absence in 2004 was an important factor in the lack of activity from the Committee.

Between these two impediments to smooth relations on both these Committees, not only has relatively little been definitively accomplished but the normally statesmanlike bipartisanship for which they were both noted has taken a serious hit. It isn't all that unusual for political watchers to see lawmakers break out in a bad case of the nasties, but it *was* unusual for it to happen with respect to the House and Senate Small Business Committees. That is, up until the second session of the 108<sup>th</sup> Congress.

The only remaining question now is whether this entire soap opera has left a bad taste in anybody's mouth. I've heard from some sources on Capitol Hill that a lot of what has been going on here involves the SBA's Congressional Relations people, manipulating and maneuvering and playing Republicans against Democrats and playing the House against the Senate, all in order to implement policy without having to explain its rationale to anybody.

In the best of all possible worlds, it would be good if members of both these Committees managed to rise above all the political nonsense and remember the small business owners they are supposed to be serving. And it might help that the 109<sup>th</sup> Congress takes up its business without a looming major election cycle hanging over its head.

Overall, as I mentioned, there were two big small business stories on Capitol Hill this year:

the SBA re-authorization and the fiscal 2005 federal budget.

## Special Issue Legislation

### SBA Re-authorization

The Journal spent quite a bit of time and virtual ink in 2004 telling the often convoluted tale of re-authorization of the U.S. Small Business Administration. There was a good reason for that, too. The agency's Congressional authorization had expired at the end of fiscal 2003 and it seemed to be taking an incomprehensibly long time to get this routine chore done.

I have been chided for focusing on it the way I did, though, most notably by some staff members from the House Small Business Committee majority. "It is important to remember that spending on the SBA and SBA programs are not the be-all and end-all in terms of assistance the federal government can provide to small businesses and micro-entrepreneurs," wrote Committee Deputy Chief of Staff Phil Eskeland in a letter reprinted in the Journal's October 24<sup>th</sup> issue.

And that is certainly true. On the other hand, I have been assured repeatedly by some of my *other* sources on Capitol Hill that the bottleneck on small business legislation, particularly in the Senate, had less to do with "obstructionist Democrats" than it had to do with a sense that there was little point in working on other pending small business legislation, like the Independent Office of Advocacy Act, when the legislation re-authorizing the Office of Advocacy (for example) hadn't been passed yet.

The process by which Congress re-authorizes the SBA hasn't changed any. Lawmakers

convene a series of hearings and/or roundtables to ascertain how the various programs are doing, whether or not they are proving to be cost-effective as well as just plain effective at whatever they are supposed to be doing to help small business owners. They write legislation to fix whatever isn't working, to re-authorize the programs that are working, and to adjust funding levels for things like inflation.

For most of its history, getting this sort of legislation passed is not great chore, either. It gets passed out of Committee, usually unanimously, and is brought to the floor without much hoopla. Brought before the entire House or Senate, the relevant legislation is also usually passed unanimously. Piece of cake.

And that's pretty much the way it happened in the Senate, too. They had got their re-authorization chores done in such a timely fashion last year that, if the House had done the same thing, the agency wouldn't have had to spend a single day operating under continuing resolutions.

Unfortunately, the House Small Business Committee decided to use the occasion to draft a comprehensive overhaul of the SBA which would, according to press statements distributed at the time, modernize and streamline the agency. I call it unfortunate not because the agency didn't need the overhaul but because of what such a task entailed.

When you rewrite the Small Business Act like that, you wind up drafting legislation that will need to be reported out of more Committees than just the Small Business Committee. I suspect that, if this job had been able to remain within the House Small Business Committee, it wouldn't have cause anywhere near as much heartburn among the players in this drama as it did.

After sitting on it for about five months, the House Committee on Government Reform passed it out of committee without making any overt changes to it. They didn't need to because they had spent that time in behind-closed-doors negotiating sessions with Small Business Committee staffers working through the provisions that they didn't like.

The results made the Republicans happy but caused Congresswoman Velázquez's hair to catch fire, and she spent most of the rest of the session trying to create pressure to bring the original H.R. 2802 to the floor of the House for a vote. She charged that all the provisions in H.R. 2802 that were supposed to deal with contract bundling and general procurement issues had been gutted. Between that and the campaign to take the 7(a) loan program to a zero-subsidy program, she ended up pulling her support from the bill.

(We'll get more into the zero subsidy issue when we take a look at the budget in the next section.)

Finally, in September — almost a year to the day after the SBA's authority originally expired — there came an announcement that Small Business Committee staffers from the House and Senate majority had gotten together and crafted a new, less controversial SBA re-authorization bill. Or, as I put it in the September 27<sup>th</sup> issue of the Journal, "I'm told that the folks in the Senate got tired of twiddling their appendages waiting for the House to get its act together ... ."

Even then, the legislation didn't make it to the floor for a separate vote. Instead, it was folded into that infamous Omnibus Appropriations bill that made headlines because of the things that were folded into it that wouldn't have been passed if lawmakers actually had time to study the entire bill before voting on it.

Fortunately, the SBA's re-authorization doesn't fall into that category. Unfortunately, this re-authorization does nothing to make the agency better at doing what it is supposed to be doing, that is, serving small business owners. In the end, both Microloan and the Program for Investment in Microenterprise (PRIME) grants were re-authorized. The business management training programs emerged from the process more or less unscathed.

The re-authorization legislation also fixes the funding for the Women's Business Center program, specifically the sustainability grants that were causing such concern during most of 2004. Originally, the sustainability program was written when most of the WBC funding was needed to get new centers up and running and a relatively small percentage of funding dollars were set aside to sustain established Centers. Now that the program has matured

a bit, the number of Centers that qualify for sustainability grants has gotten large enough that there wasn't enough money being set aside for those grants. This bill fixes that.

And the Bush Administration got its way on the 7(a) program. It has gone to a zero-subsidy basis, meaning that the funds for those loan guarantees will be coming from fees charged to lenders and borrowers. Fortunately, the language prevents the SBA from hiking borrower fees beyond the fee increase that happened at the end of fiscal 2004, when the temporary fee reduction expired. Unfortunately, that places the entire burden squarely on the shoulders of the lenders and some are worried that the increased fees will drive some lenders out of the program. As to that, only time will tell.

## The Fiscal 2005 Budget

Under normal circumstances, the Journal does not spend all that much time on the federal appropriations process. On average, we give it one or two articles covering not what was funded but how much funding was *proposed*. In fact, for most of its history, the Journal did not always follow up to document the difference between funding proposal and final Congressional appropriation.

In 2004, that changed because the Bush Administration did something it often does: proposed to eliminate a program by zeroing out its funding. And, in this case, the Administration was taking comprehensive pot-shots at microbusinesses. In fact, what President Bush's fiscal 2005 budget proposal proposed was to move the Small Business Administration away from everything it does in the realm of microenterprise development.

Since I'm not exactly "in" with this Administration, I've never been able to get anybody to give me an honest explanation of why they have such hostility toward microbusinesses and, specifically, to low-income, minority entrepreneurs.

Of course, there is the conservative philosophy, which holds that small business owners

just ought to be able to make a go of running a successful small business without any help from the government. Evidently, this philosophy does not consider the matter in terms of making an investment that is proven to have spectacular returns in both direct revenues and indirect tax savings. That's because it is a philosophy that does not really have much to do with money; it is a pure philosophy position underpinned by a belief that the government should not be doing most of what it currently does.

Another matter, which was brought to my attention during an interview back in March with Jeff Reynolds of REAP in Nebraska, is that many people in government and in economics consider that microenterprise development is social work rather than economic development. If you look at it that way, then support for microenterprise development ought to be coming from the Department of Health and Human Services rather than from the Small Business Administration.

Whatever the explanation may turn out to be, it has been pretty clear for some time now that the Administration would like nothing better than to get rid of the Microloan program and the PRIME grant program. Nevertheless, the proposal in this year's White House budget submitted to Congress in late January, dropped like a bombshell when it was seen that there was no funding for Microloan, Microloan technical assistance or PRIME.

In addition to the proposal to eliminate Microloan and PRIME, the President asked for zero funding for 7(a), which was an early indication that the Bush Administration had made up its collective mind to take 7(a) to a zero subsidy program. Overall, the original budget proposed a 15% cut to the SBA budget, down to \$687.4 million from the \$718.3 million appropriated in fiscal 2004.

Neither leader of the Small Business Committees was particularly thrilled by this proposal. In the House, Congressman Manzullo was cautiously supportive of the zero-subsidy proposal with the caveat that he did not hold with the Administration proposal to raise fees for borrowers in order to accomplish it. In this opinion, he was joined by his counterpart in the Senate, Olympia Snowe.

As for Microloan, that was a tale in and of itself. The SBA was spinning this particular

proposal to the press as “not really what it looked like.” Their official position was that the President had not really proposed to eliminate the Microloan program; they were simply going to fold it into the 7(a) program. Since the SBA Express edition of the 7(a) loan was specifically designed to make smaller loans available at less cost to the government, it would be more efficient to just make it all one big happy program.

Of course, anybody who knows anything about microlending will recognize this spin for the nonsense that it is. Probably the biggest difference between 7(a) loans and Microloans is that microlenders are not banks. For the most part, a bank wouldn't touch a Microloan Intermediary's loan portfolio with a ten-foot pole — a fact to which both the banks and the Microloan Intermediaries have repeatedly testified before both Committees.

Microlenders mitigate the greater risk they assume in making loans to “unbankable” microbusiness owners by marrying the financing to a technical assistance component, through which hand-holding they increase the likelihood that the loan will be repaid. Yes, that makes the administration of Microloans more expensive than that of 7(a) loans but it also provides access to capital for a set of business owners who could not qualify for 7(a) loans.

And that, in its turn, opens the doors of small business ownership to whole populations that had previously been excluded from that kind of a stake in the U.S. economy. Besides, while Microloan is certainly more expensive than 7(a), it is still a lot *less* expensive than most other things in the federal budget.

As for the technical assistance written into the program, SBA Administrator Hector Baretto indicated during my interview with him in October 2003 that he considered that requirement to be a bad thing — or he felt that small business owners considered it to be a bad thing. He extolled the virtues of making the smaller loans available without having to deal with the technical assistance. And that might be perfect for some small businesses. However, there are even more microbusiness owners who would actually prefer to get that assistance, with or without the loan. If there was ever any need for evidence of the degree to which the SBA does not understand the needs of microbusinesses, that attitude would provide it — in spades.

On this one, even that quintessential party guy, Don Manzullo, balked. In his budget views and estimates letter, Chairman Manzullo wrote: “[I]t difficult for the Committee to understand how the typical Microloan borrower will be better served by this proposal if (1) the Microloan program is abolished; (2) fees in the 7(a) program are doubled; and (3) technical assistance spending in the SBDC, WBC, and SCORE is not even increased by \$1 to accommodate these new clients.”

That pretty much says it all.

Meanwhile, these proposals caused the advocacy efforts of the Association for Enterprise Opportunity (AEO), the national microenterprise development industry trade association, to kick into high gear.

It became pretty clear early on that drumming up support on the Small Business Committees themselves was unnecessary. Instead, they focused on the House Appropriations Committee and the Senate Budget Committee, with letter-writing campaigns and telephone campaigns and a concentrated spate of lobbying during what they called their Microloan Advocacy Days last June.

After getting a bit of a scare when the House Appropriations Committee approved an SBA budget without funding for either Microloan or PRIME, proponents saw a last-minute save when the House adopted an amendment to the Commerce-Justice-State budget bill that restored funding for both programs.

The House also reinstated funding for the 7(a) subsidy because at that stage of the game it seemed that everybody was on the same page in terms of wanting to either keep the Congressional appropriation or set up the zero-subsidy with a provision that would keep the SBA from raising borrower fees.

After that, we all got to gnaw on our knuckles for awhile, as Senate lawmakers went home for the August recess without getting their budget chores done first. And in the end, matters

pretty much turned out the way we predicted they would. Congress went the Omnibus Appropriations route, the Senate leadership kept the process from getting bogged down by doing much of its negotiating behind closed doors and, to a degree, the SBA budget that was finally approved was much the way it was when approved by the House.

Except that the budget finally approved was significantly smaller than what was approved by the House or the Senate, or even what was originally requested by the White House. Congress appropriated only \$579 million for the SBA, which is a drop of about 19% from fiscal 2004 levels. The bulk of that budget cut came about because the Bush Administration did get its way on taking 7(a) to a zero subsidy program, thanks to an automatic loan fee increase that kicked in when post-9/11 fee reductions automatically expired. That, by itself, shaved a cool \$70 million or so from the SBA's budget.

On the other hand, Microloan was funded at \$1.4 million to support \$15 million in loans, Microloan technical assistance was appropriated \$14 million and PRIME was funded at the \$5 million level that has become standard over the past few years.

In closing, I'll reiterate a point made in the November 29<sup>th</sup> issue of the Journal. From this president's first budget proposal for fiscal 2002 to date, the Bush Administration has cut the Small Business Administration's budget by a whopping 32%, giving it the dubious distinction of being the federal agency with the deepest cuts of all those in the federal government.

If, as President Bush is fond of saying, the American people can see where his priorities lie from looking at his budget, then it seems clear that small businesses — and particularly microbusinesses — are not privileged to number among his priorities.

## Other legislative initiatives

As was the case last year, the Journal often reports on legislation that has been introduced onto the floor of Congress but, for one reason or another, doesn't report on any further action with respect to those bills.

Parenthetically, we should note that the legislative proposals that were updated in last year's Report have not changed in status at all. There was no further action on any of them, so that measures like the Independent Office of Advocacy Act and the Vocational and Technical Education Assistance Act and the National Small Business Regulatory Assistance Act all died quietly in Committee while staffers were twiddling their thumbs waiting for action on the SBA re-authorization bill.

What follows, then, is a report on the fate of proposed legislation covered in the Journal during 2004.

### **H.R. 2432 - Paperwork and Regulatory Improvements Act**

This bill would do a number of good things. It would require the Office of Management and Budget to review the way the IRS collects information to identify ways the IRS could reduce the information collection burden imposed on small businesses, and to report its findings to Congress annually. It also gets rid of some exemptions from the Paperwork Reduction Act and "other rulemaking requirements", and instigates steps toward regulatory budgeting.

This bill wound up being tacked onto the Occupational Safety and Health Small Business Day in Court Act of 2004 (H.R. 2728) and passed by the House in May. From there, it was received in the Senate and placed on the general legislative calendar (Calendar No. 535). Since the Senate didn't get to it before the session adjourned, the bill will have to go through the entire process again.

## **S. 2163 - Small Employee Health Benefits Act**

This legislative proposal, which was covered in the March 8<sup>th</sup> issue of the Journal, is very similar to the plan that was being advocated by Senator John Kerry during his late bid for the presidency.

In essence, it calls for the federal Office of Personnel Management to administer a health insurance program for non-federal employees who are either self-employed or employed by small businesses with fewer than 100 employees. It also allows for a refundable tax credit for the health insurance expenses of small employers who pay "a specific percentage" of the employee premiums under this health plan.

I still haven't heard from anybody how much this plan would cost; estimates during the campaign placed the price tag at somewhere around \$660 billion, if memory serves.

The bill was referred to the Senate Finance Committee in March, which is in charge of writing tax law, for review. Identical legislation was introduced in the House in June, and was referred to the House Ways and Means Committee and the Education and the Workforce Committee. Predictably, there has been no further action on the bill.

## **S. 1736 - Streamlined Sales and Use Tax Act**

This legislation, which we reported on last year, and updated in mid-March, would bring us one step closer to remote sales tax collection duties for high-revenue firms in telephone, mail order and e-commerce sales.

The bill grants Congressional consent to the Streamlined Sales and Use Tax Agreement, the agreement that was hammered out by the states when they saw that nobody was going to be able to help them recover lost sales tax revenues from remote sales until they did something about the complexity of their disparate sales tax systems. It then gives permission, once certain conditions are met, for states that are signatories to that Agreement and are in compliance with it to require sellers to collect and pay sales and use taxes on remote sales in those states.

This bill does have a small business exception — if a business and its affiliates earns less than \$5 million in revenues, it is exempt from remote sales tax collection duties . That should exclude almost all microbusinesses selling online and elsewhere.

Support for this one is tepid on Capitol Hill. The anti-tax brigade among Congressional Republicans was strong during the 108th Congress and has only been expanded for the 109th. And, while I'm sure they're smart enough to understand that this legislation is not proposing any *new* taxes, they are probably also shrewd enough to know that their political opponents may not have much trouble making it *look* like a new tax to the uninitiated. Like the CAN-SPAM Act, it may well take this one several years to make it to the President's desk — and it probably won't be this President, either.

The Streamlined Sales and Use Tax Act was referred to the Senate Finance Committee. Since they did not report on the legislation prior to the conclusion of the 108th Congress, Senator Enzi, the bill's sponsor, is going to have to re-introduce it and try to drum up more support.

### **H.R. 2345 - Regulatory Flexibility Improvements Act of 2003**

This legislation would amend the Regulatory Flexibility Act to require federal regulating agencies to perform regulatory flexibility analyses of both direct *and* indirect impacts of proposed regulations on small entities. In addition, the law would instruct the federal courts to defer to the input submitted by the Chief Counsel of the SBA Office of Advocacy when making judicial determinations with respect to RFA compliance.

During the hearing held by the House Small Business Committee in May, Ranking Member Velazquez predicted that the legislation would not be passed during the current session of Congress. That may have sounded like partisan sour grapes at the time but it turns out that she was right.

The legislation was originally referred to House Judiciary Committee and House Small Business Committee. As I mentioned, the Small Business Committee held hearings, although they did not submit a report (according to Thomas). The Judiciary Committee never got around to it.

This one will have to start the process again in the 109th Congress if its sponsors are going to get it to the President's desk.

### **H.R. 1873, S. 2433 - Equity for Our Nation's Self-Employed Act of 2004**

This legislation, which is called the Self-Employed Health Care Affordability Act of 2003 in the House, amends the Internal Revenue Code to permit health insurance costs of a self-employed individual to be deducted from their net earnings for income tax purposes. The Journal has written quite a bit about this legislation because it is a very important — perhaps even symbolic — proposal for tax equity for microbusinesses.

The original House version was proposed back in April of last year, while the Senate version was introduced just this past May. As usual, self-employment issues are not a top priority for anybody on Capitol Hill (sometimes, it seems as if they are not even a priority among the folks on the Small Business Committees), even when the issue involved has to do with such a simple and fundamental concept as fairness. Movement on this one has been sluggish-to-non-existent.

The NASE's Kristie Darien has been working the Hill for this bill for over a year now, and it currently has 68 co-sponsors in the House and only 3 in the Senate. The Senate Finance

Committee has this one in their pending tray and, similarly, the bill was referred to the House Ways and Means Committee but they did not get around to it during this session of Congress, either.

That's disappointing but, knowing the NASE, this one will be back.

### **H.R. 4341, S. 2468 - Postal Accountability and Enhancement Act**

This legislative proposal would require the Postal Regulatory Commission to stabilize their rate structure on "market dominant products," such as first-class mail and media mail, while keeping in mind the impact of any rate increases on consumers, business users and competing entrepreneurs, tie any rate increases to the Consumer Price Index, except in extraordinary circumstances, and a few other things that are less relevant to microbusiness mailers.

This one actually made it out of Committee but, in spite of being placed on the calendar back in September, it never made it to the floor ... suffering a fate similar to that of H.R. 2802, the original SBA re-authorization legislation submitted by the House Small Business Committee. It will have to be re-introduced in the 109<sup>th</sup> Congress in order to make its way through the entire legislative process.

### **H.R. 4840 - Tax Simplification for America's Job Creators Act of 2004**

This legislation, which was met with a certain amount of derision by House Democrats, would extend the \$100,000 small business expensing increase, the \$400,000 cost limitation increase for property eligible for expensing, and the inflation adjustments for those increases through 2007.

It would also create an inflation adjustment so that the \$5 million receipts test used to determine eligibility for the cash method of accounting, and would repeal certain parts of the tax code since they don't apply to anybody anymore and are just taking up space in that document.

And the Democratic scorn? As reported in the July 26<sup>th</sup> issue of the Journal, that can be summed up by quoting House Ways and Means Committee Ranking Member Chairlie Rangel (D-NY). Referring to the provisions that remove the deadwood from the tax code, Rangel wrote in a "Dear Colleague" letter that "repealing provisions that do not apply to any taxpayer ... will not simplify the tax treatment for any taxpayer."

Not much here that will be helpful for microbusinesses, or that will simplify their filing chores either. The legislation was passed in the House in July, as reported in the Journal, and was referred to the Senate Finance Committee, which appears to have ignored it. No further action has been taken on it, so it will have to begin the process again — if anybody decides that is necessary.

### **S. 2463 - Tax Code Termination Act of 2004**

Back in May, Senator Sam Brownback (R-KS) introduced this legislation, which does just what it says. The bill mandates the termination of the Internal Revenue Code of 1986 and requires that any new tax system (1) apply a low rate to all Americans; (2) provide tax relief for working Americans; (3) protect the rights of taxpayers and reduces tax collection abuses; (4) eliminate the bias against savings and investment; (5) promote economic growth and job creation; and (6) not penalize marriage or families. Such a new tax system would be required to be in place by December 2009.

Not a thing has happened with this one. It was referred to the Senate Finance Committee, and there it sat for the rest of the session. Whether the concepts proposed here will fit in with the President's tax reform agenda and, if so, how, are the relevant questions of the day on this one.

## **S. 2834 - Small Business Compliance Assistance Enhancement Act of 2004**

Amends the Small Business Regulatory Enforcement Fairness Act of 1996 to require an agency to prepare a compliance guide to assist small entities in complying with a Federal regulation whenever an agency determines that a Federal regulation will have a significant economic impact on a substantial number of small entities.

This one was referred to the House Small Business Committee, and there it died. The fact that nobody found time to even hold a hearing on this offers between September 23rd and the Senate's December adjournment date silent testimony to the lack of regard for small business issues that exists on Capitol hill. This is another one that will have to start all over again.

## About The MicroEnterprise Journal

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