

Letter to Editor – 10 8 2010 - "Small Businesses are Stalled by Uncertainty"
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Recently I have been asking SMC Business Councils small business members about their top concerns. They are concerned with Washington's taxes and spending. "What will happen with the 2001-2003 tax cuts?" "What will happen with health care costs and all the new fees and taxes from the new health care law?" "Everything is a mess."

All that translates to uncertainty about the future and lack of confidence in government to solve the country's problems. This is not a business climate that encourages job creation

Uncertainty increased and problems were kicked down the road when Congress abandoned plans to vote on the 2001-2003 tax cuts. To date Congress has also punted on the 1099 reporting issue, the Estate tax, and the Alternative Minimum Tax. A "lame duck" session in November may not bring relief. If lawmakers fail to pass legislation by December 31 taxes will rise for all on income, estates, capital gains and dividends.

Why aren't lawmakers addressing our long-term problems? Unemployment is over 9 percent. The economic recovery is fragile. The projected annual deficit for 2010 is \$1.3 trillion. According to a January report by the General Accounting Office "Simulations show that absent changes to federal entitlement programs, spending on Social Security, Medicare, Medicaid, and interest on the federal debt will account for an ever-growing share of the economy.... assuming revenue remains constant at 20.2 percent of GDP—higher than the historical average—by 2030 there will be little room for "all other spending."

Small business owners are optimists by nature but how can they invest, expand and create jobs when they don't see action on these major issues?

Small business is paralyzed by uncertainty and is slowly being strangled by relentless increases in health care costs, taxes, and burdensome regulations and mandates.

The role of our elected officials is to create the business climate necessary for job creation. Action on pending legislation and a plan to solve our fiscal problems would give a significant boost to small business confidence.

Congressmen should be reminded of this on Election Day.

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