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Federal Relief Needed for Small Business Owners

By Stephen Bienko

New census data shows that more Americans are moving to Florida than any other state. This is quite obvious in and out of season.

The Sunshine State added 332,000 net domestic migrants between July 2014 and June 2015, 60,000 more than second place Texas. Gov. Rick Scott still reigns supreme over our Lone Star job growth nemesis. In addition, six of the nation's 20 fastest-growing metro areas are in Florida.

It's no secret that in addition to the great weather, many Americans move to Southwest Florida to lessen their tax burden. The small businesses these newcomers run and create can use their tax savings to grow their business and hire new employees. Hertz car rental, for example, relocated from New Jersey to our area a couple of years ago and reduced its state tax burden by nearly 40 percent.

My Fort Myers-based business, the largest franchisee of College Hunks Hauling Junk, has long taken advantage of Florida's pro-growth tax code and straightforward regulatory environment. But there is only so much that can be done at the state level. The real battle small businesses face is taking place at the federal level, which continues its onslaught of over taxation and over regulation.

The federal business tax is 35 percent, the highest in the developed world. And its maddening complexity translates into tens of thousands of dollars in professional accounting fees or forgone time that could have been spent on operational matters. That includes growing the personal lives of our employees. In a

national poll conducted by the Job Creators Network of over 400 small business owners, two-thirds of respondents said that over taxation threatens the viability of their business. Three in five said the same about overregulation. Isn't that frightening and anti-American?

On the regulatory front, an overactive federal labor department is pushing out a litany of new labor regulations that drive up the cost of hiring and doing business. For instance, the Department of Labor is finalizing a new mandate that requires employers to pay salaried employees who earn up to \$50,000 overtime pay. For a small business owner like myself, who pays employees to get a job done to the best of their ability, this rule changes my entire compensation structure. These regulatory pushes come at the same time that employees are requesting raises and looking for \$15 an hour. Where is this going to be squeezed from?

Franchisees like myself are also contending with the National Labor Relations Board's new "joint employer" mandate. This regulation reclassifies franchisors as joint employers with their franchisees, which are essentially independent small businesses. This makes franchisors liable for the millions of daily decisions made by franchisees, making them much less likely to franchise to risky upstarts looking to achieve the American Dream. First-time business owners, women, and minorities will be disproportionately affected by the mandate.

This year, 47 "major" regulations – defined as those carrying an economic impact exceeding \$100 million annu-

ally – are being considered. Nearly 400 more have been issued over the past seven years. In the 16 years before that, more than 700 were issued, according to an analysis by George Washington University's Regulatory Studies Center. That equates to well over a billion dollars of negative economic impact annually from major regulations alone. Is this a true need or just a way for regulators to feel that their incomes are being earned?

None of these regulations alone makes headline news. But taken together they pose a death by one-thousand cuts to small businesses even in pro-growth states like Florida's.

To raise the profile of these headwinds facing small businesses, I recently participated in a panel discussion of small business owners at an event in Orlando called Bring Small Businesses Back. Hosted by the Job Creators Network, the event brought together dozens of small business owners to highlight the hurdles their small businesses face and identify solutions to overcome them.

Each year, SWFL offers regulatory and tax relief to thousands of new small business owners. But to truly allow them to flourish, action must be taken at the federal level. Events like the one in Orlando provide the platform to make our collective voices heard and federal regulatory and tax relief a reality.

Besides being a business owner, Bienko also is a citizen member of The News-Press editorial board.