

Forbes

July 27, 2017

Some Entrepreneurs Want GOP To Drop Health Repeal For Tax Cuts

By: Robb Mandelbaum

Tax-law writers in the House of Representatives on Thursday dropped their insistence on a controversial border adjustment tax. “While we have debated the pro-growth benefits of border adjustability,” they said in a joint statement with the Senate Finance Committee and White House officials statement said, “we appreciate that there are many unknowns associated with it and have decided to set this policy aside in order to advance tax reform.” And that, no doubt, comes as good news to a small-business group that would like Republicans in Congress to refocus their priorities, even as the Senate lurches toward possibly repealing, in some fashion, the Affordable Care Act

On Monday, before the Senate voted to begin the repeal debate, The Hill reported that an organization called the Job Creators Network had teamed up with former speaker of the House Newt Gingrich to “to pressure Congress to pivot to tax relief.” Not only that, but the group wants Republicans to trim their ambitious reform agenda — and the border-adjustment tax in particular — and limit themselves to pursuing income tax rate cuts.

The Job Creators Network bills itself as the “voice of small business,” though it often trots out for spokesmen people like former Best Buy CEO Brad Anderson. The organization recruits and trains owners and CEOs to speak up for the contemporary free-market agenda, against rising minimum wages and for deregulation and lower taxes. The decision to move on from health care must have been a tough one for the group, since not

three weeks ago it announced that it would boost a national advertising campaign called “Obamacare Hurts.”

According to The Hill, the Job Creators Network will team up with the conservative groups FreedomWorks and the American Legislative Exchange Council “to barnstorm the country in August to pitch lawmakers at summer town halls and to create a media echo chamber in key congressional districts.” The Job Creators Network is furnishing the assault team with a poll that finds that nearly half of all small-business owners believe tax cuts would help them the most, nearly twice as many as those who cite health care reform as their top priority. Indeed, a separate survey by Manta recently found that nearly two-thirds of business owners opposed Republican repeal legislation. Meanwhile, Job Creators found that 70 percent would reinvest tax savings into the business through wage hikes, new hiring, and expansion.

But the campaign has a political purpose, too. Uniting around tax relief — as opposed to more complicated tax reform — “is vital for Republicans who need a win now,” said Heidi Gahnahl, CEO and founder of the dog-care franchisor Camp Bow Wow. And without a win, Gingrich said, “we have a real chance of having Nancy Pelosi as the next of Speaker of the House.”

The campaign may have yet to begin, but it has already gotten part of what it wants. On Thursday, tax-law writers in the House agreed to drop their insistence on the border adjustment.