



Hillary Clinton Will Make Life Easier for Small Business at Every Step of the Way

Small businesses are the engine of the American economy. They [create nearly two-thirds of new American jobs](#), fuel innovation, and offer crucial ladders to prosperity. But small businesses were [hit hard by the Great Recession](#), and there are still too many obstacles to success. New business formation has [fallen 15%](#) since 2007, and the gains we've seen have been isolated: between 2010 and 2014, [just 20 counties](#) represented half of the growth in new businesses for the entire country.

Small business is personal for Hillary: Her dad ran a small business that provided her with a middle class life. And during this campaign, she's visited with small business owners across the country to better understand the barriers that are holding them back—and what smart public policy can do to break those barriers down. **Today, Hillary is releasing a plan to make life easier for small business at every step of the way.** She will:

1. Make it easier to start a business and become profitable
2. Make it easier to get financing and find investors
3. Make it cheaper and faster to file taxes and provide tax relief
4. Make it easier to offer health care and other benefits to employees
5. Make it easier to work with the federal government
6. Make it easier to fight back when you're getting stiffed

For Hillary, this is just the beginning of the conversation. Small businesses and entrepreneurs will have a seat at the table in her Administration. She will listen to their concerns and work to address them. As she's said for more than a year, she wants to be the Small Business President. While Donald Trump has made a career of stiffing small businesses—not because he couldn't pay them, but because he wouldn't pay them—Hillary will fight to support small business at every stage of their lifecycle.

Here's how Hillary plans to make life easier for small business:

- 1. Make it easier to start a business and become profitable.** Hillary will break down barriers so that starting a business can be as easy as setting up a lemonade stand in the front yard. She will:

- ✓ Push states to make it faster and cheaper to start a business. It takes [longer](#) to start a business in the U.S. than it does in other countries like Canada or Denmark. Aspiring entrepreneurs work for days, weeks, or even years to secure business and occupational licenses and sort through stacks of forms at different government agencies. Across the country, more than a quarter of working Americans now need a license just to do their jobs—up from 5 percent in 1950. The average occupational license requires \$209 in fees, according to one [study](#), and the aggregate burden of occupational and business licensing fees totals billions per year.

State and local licensing plays a critical role in safeguarding public health and safety. But unnecessary requirements also increase costs for everyone and stand in the way of those who are eager to start new careers or open a business. That's why Hillary will launch a national initiative to break down unnecessary barriers to starting a company by:

- Pushing state and local governments to make starting a business easier: Any state and locality willing to make starting a business cheaper and easier and meaningfully streamline unnecessary licensing programs will receive federal funding to support innovative programs and offset forgone licensing revenue. These funds will only be available for proposals that also safeguard public health and safety.
 - Working with states to standardize licensing requirements and reduce barriers for Americans seeking to work across state borders—particularly for military families and spouses who are mobile and often employed in licensed occupations.
 - Making technical assistance and resources available to states to help determine which licensing requirements serve the public good and which impose undue burdens on aspiring workers and entrepreneurs.
- ✓ Provide incubators, mentoring, and training to 50,000 entrepreneurs and small business owners in underserved communities. Hillary will make it easier to start and grow your business by offering training and mentoring programs that help guide you through the challenges entrepreneurs face. She will form partnerships with local business leaders, community colleges, Historically Black Colleges and Universities, and Hispanic Serving Institutions. Through both public and private investments, she will give entrepreneurs in underserved communities access to the training and support networks they need to grow their businesses.

2. Make it easier to get financing and find investors. Small businesses owners cite insufficient access to capital as a primary inhibitor to starting, growing, and sustaining a small business. In fact, small business loans comprised just 29 percent of total bank loans in 2012, as compared with 51 percent in 1995. Clinton will fight to expand small businesses' access to capital. She will:

- ✓ Streamline regulation and cut red tape for community banks and credit unions, which are the backbone of small business lending in America, while defending the new rules on Wall Street.
- ✓ Harness the potential of online lending platforms and work to safeguard against unfair and deceptive lending practices.
- ✓ Reduce the burden of student debt by allowing entrepreneurs to defer student loan payments with no interest while they get their ventures off the ground.

- ✓ Promote the 100% tax exclusion on capital gains for long-term small business investments, which Hillary [called for](#) it in July.
- ✓ Expand and streamline the SBA's Small Business Investment Company program, which provides community venture capitalists and lenders with access to low-cost capital to invest in small businesses in their neighborhoods.
- ✓ Support new innovative ways to assess creditworthiness for small business owners, while working to ensure that alternative credit profiles are not being used unfairly.
- ✓ [Expand](#) access to credit in underserved communities, including by expanding and making permanent the New Market Tax Credit, and doubling support for community development financial institutions and the State Small Business Credit Initiative.
- ✓ Give the SBA administrator the authority to continue providing 7(a) loan guarantees to small businesses if demand is higher than the yearly cap, helping even more small businesses get affordable bank loans.
- ✓ Expand access to working capital by expanding the SBA's working capital guarantee programs and lowering working capital fees for businesses in underserved communities.

3. Make it cheaper and faster to file taxes *and* pay for tax relief. The smallest businesses spend an average of 150 hours and \$1,100 per employee to comply with federal taxes—[20 times higher than for larger businesses](#). Hillary will:

- ✓ Work to create a new standard deduction for small businesses—like the one available to individual filers. This proposal will vastly simplify filing for small businesses and entrepreneurs—whether they're running a business out of their own home, managing a shop on Main Street, or selling online through platforms like Etsy and eBay. Rather than having to track and file forms documenting their overhead costs—potentially including transportation, computer and phone use, maintaining an office, and more—a small business would be offered the option of taking a single, simple deduction. Hillary will ask her Treasury Department to bring together small business owners and leading experts to design this new standard deduction, including its limits and parameters, which existing expenses could voluntarily be replaced, and measures to prevent gaming and abuse—all to advance the goal of making it far easier for small businesses to file their taxes. This proposal would be focused on true small businesses, with restrictions preventing larger businesses or high-income taxpayers from claiming it. Small businesses could still opt to track and deduct their expenses individually, just like individual filers.
- ✓ Allow 4 million small businesses with gross receipts under \$1 million to take advantage of "checkbook accounting." Hillary wants to make filing taxes for these small businesses as simple as maintaining a checkbook or printing a bank statement, eliminating all the paperwork involved in today's more complex filing and recordkeeping requirements. She will also simplify accounting and tax filing and offer tax relief for small businesses with \$25 million or less in gross receipts, by replacing complicated rules and letting businesses

under this threshold choose the simpler “cash accounting” method. Together, these proposals will offer simplified tax filing and accounting and provide tens of billions of dollars of tax relief to [99% of businesses in America](#).

- ✓ Allow small businesses to immediately expense up to \$1 million in new investments, rewarding small businesses expanding factories or buying new equipment to boost growth and hiring.
- ✓ Quadruple the start-up tax deduction to significantly lower the cost of starting a business.

This relief will be paid for as part of broader business tax reform that rewards investment in America, while closing loopholes that shift jobs and profits overseas.

4. Make it easier to offer health care and other benefits to employees. Many small businesses want to take care of their employees and provide robust health insurance and retirement accounts, but the costs can be significant, and qualifying for available relief can be complicated and difficult. That’s why Hillary will:

- ✓ Simplify and expand the healthcare tax credit for small employers in the Affordable Care Act, so that even more employers can provide quality, affordable healthcare to their workers. She will make sure that small businesses with up to 50 employees can be eligible for the credit, and she will simplify complex phase-out and eligibility rules so that it’s easier for many more small businesses to get the credit and cover their workers.
- ✓ Allow more small businesses [pool together](#) to offer retirement plans, making it easier for small businesses to offer retirement accounts to their employees.

5. Make it easier to work with the federal government. From regulatory compliance to accessing loan support and contracting opportunities, the experience small businesses have with the federal government remains too complicated and burdensome. Hillary will push the federal agencies to do the hard work of making government simple and user-friendly. She believes that government should organize itself to meet needs of small business—rather than forcing small businesses to navigate the maze of government. In other words, Hillary wants to treat small business like the customer:

- ✓ Work to completely revamp the digital experience for small businesses. This requires a smarter investment in technology to make it much easier for small businesses owners to interact with the government. She will direct the U.S. Digital Service, SBA, and other relevant agencies to work together and build a digital team to overhaul the entire small business web experience, making it more user-friendly, helpful, and convenient.
- ✓ Use the [leverage](#) of more than \$400 billion in federal government contracting to encourage businesses to pay their suppliers in full and on time.
- ✓ Guarantee a 24-hour response time to small businesses with questions about federal regulations and access to capital programs.

- ✓ Ensure that Small Business Development Centers are placed in the highest-need communities with staff that speaks the language of local residents.
 - ✓ Work to ensure that federal regulations aren't unnecessarily holding small businesses and our economy back.
 - ✓ Increase federal contracting opportunities for women-owned, minority-owned, and veteran-owned small businesses.
 - ✓ Defend and strengthen the Export-Import Bank, which is a crucial partner to small businesses across the country when they seek to export their goods and services.
 - ✓ Encourage small business exports by expanding SBA funding for export development, establishing a single global export strategy across agencies, and creating a user-friendly export planning portal for small businesses.
6. **Make it easier to fight back when you're getting stiffed.** Hillary Clinton believes it is outrageous when big businesses like Trump's repeatedly stiff the small businesses that do work for them. She knows that getting paid, and getting paid on time, is essential to making payroll and keeping a business running. That's why she [will](#) ensure federal regulatory oversight of proven bad actors and stop large companies from using expensive litigation hurdles to deny small businesses their right to a remedy—and give small businesses recourse to take on predatory behavior.