

Hearing on the subject of  
**Preserving and Protecting Main Street USA**  
(Saving Small Businesses of America)

---

**STATEMENT BEFORE THE**

**United States Senate**

**Committee on Finance**

**219 Dirksen Senate Office Building**

**Washington, D. C. 20510-6200**

Prepared by

**JOY J. TURNER**

President and Owner

**JEFFERS BUSINESS SERVICES**

44 Stelton Road, PO Box 8606, Piscataway, New Jersey 08855  
732-968-6114

And on behalf of

**The Tax Chairs and**

**Delegates to the White House Conference on Small Business**

March 28, 2001

The Honorable Charles E. Grassley, Chairman  
United State Senate  
Committee on Finance  
107th Congress of the United States  
219 Dirksen Senate Office Building  
Washington, D.C. 20510-6200

Chairman Grassley and members of the Senate Finance Committee,

It is an honor to have the opportunity to discuss issues that relate to the small business community. Small business is the engine of our economy. I am pleased to know that it is of great interest to this committee as well.

Thank you for this opportunity to provide my statement on behalf of myself as a small business owner and a consultant. Today I am also speaking on behalf of the Regional Tax Chairs of the White House Conference on Small Business. More than two thousand delegates to the last White House Conference on Small Business. I sincerely appreciate your interest in light of our current depressed economy; it is encouraging that small business is receiving some focused and timely attention from your committee and the 107<sup>th</sup> congress will be able to put into place, measures to protect and preserve small business.

As an active advocate for small business from a diverse background, I am speaking first from a personal vantage point as the owner of a small business, really a micro business, an accounting, tax and small business consulting company. I hold a minor in business management. My postgraduate work includes specialization in taxation, advanced accounting and auditing which I hold certificates. Each year I am committed to earning up to twenty- four continuing professional education subjects.

My work with small business has been varied, as small businesses are unique in nature. I provide tax consulting services, business consulting and accounting services to start-ups and established small businesses. My work allows for an ongoing up close and personal relationship with small business owners.

In structured classroom environments, I provide training and guidance for entrepreneurs from the stage of idea

actually completing the business plan. Here I discovered that small business owners need a lot of handholding to 'wade' through compliance and regulatory red tape. At first, their attention and interest is primarily on how to get another client, how to make the payroll if they have one. They wear many hats and fill many roles. I believe that Congress needs to make

I have operated my business as a sole proprietor since 1978. At that time, while a staff accountant with a large corporation, I was frequently approached by co-workers and other regular everyday working people, such as, the building janitor, cafe workers, drivers, commercial retail vendors, and even my then dentist who were experiencing such difficulties with their tax situation. I try to help these people through all the red tape and inequities as I began to see the many complexities and the unfairness of the tax code.

Over time, personal references led small business owners to seek my assistance and advice. They were literally overwhelmed by complex tax laws and incomprehensible regulatory requirements. I began my business on a part-time basis and later, after several years with a fortune top-ten corporation, I started a full time small business. This is my twenty-fourth year.

For ten years, concurrently, I served as a volunteer member of the Internal Revenue Service's cadre of instructors for tax workshops and community outreach sessions. The taxpayer education department of the Service was very selective in choosing professionals and I was honored when I was chosen each year. I taught the Small Business Tax Workshops and other seminars that were designed to help small business owners to comply with tax law. I realized then that our tax laws were just too complex for even above average citizen to understand for full compliance. I also felt that the penalties were very unfair for those who did not know the law and could not afford to hire professional assistance. I decided that someone needed to do something to help educate

My experience exceeds twenty years of managing corporate functions in Corporate Accounting, Federal Taxation, and Corporate Finance. This corporate background has provided me an invaluable insight and a clear inner vision in how to measure the differences in small and large business operations.

In a large corporate structure so much is taken for granted. The very same nearly invisible benefits and protections in regulatory areas, may generate life or death decisions in a small concern. Economies of scale are beneficial to large concerns but they impact small businesses adversely. Something as simple as inventory purchases may be made in bulk for cost savings in a large concern but a small concern may not have the cash flow to afford large upfront purchases, then they are faced with storage and security issues that are very different.

Hiring, training and retaining employees, incurring risk and unlimited liability, plus the burdens of taxation and regulatory differences. While I do not intend to compare or illustrate the differences between small and large businesses, I mean to say there are dramatic differences in the day to day requirements for starting and keeping a small business alive and thriving compared to a large corporate (self-perpetuating) publicly traded ongoing concern.

According to Small Business Administration (SBA) research data, small businesses represent 99% of all enterprises. Small businesses with fewer than 500 workers employ 53 percent of the private work force, contribute 47 percent of all sales in the country, and produce 51% of the private gross domestic product. Industries dominated by small firms contributed a major share of the 3.2 million new jobs in 1998. Over the 1990-1995 period, small firms with fewer than 500 employees created 76 percent of net new jobs and provided 50 percent of initial on-the-job training. These trained workers often go on to work for larger firms. Small firms with fewer than 500 employees created 50 percent of net new jobs.

Small firms produce 55 percent of innovations, but large firms receive 26 percent of their research and development funding.

federal government. Small firms receive only 11 percent. Small firms obtain more patents per sales dollar and see more than large firms, since large firms are more likely to patent a discovery. Considering that small businesses are the backbone of our economy, and the indispensable innovators, they deserve targeted protection and specific measures for preservation.

Although, there were remarkable increases in the number of women and minority owned firms in the last decade, the ability to compete is significantly reduced without improvements in fair and equitable contracting practices. Credit card use is particularly difficult for these groups due to difficulty in securing financing and accessing capital. Their contributions to the economy are significant. Small businesses generated \$3.1 trillion in revenues and employed 23.8 million employees in the 1987-1997 period. Over the same period, large firms generated \$495 billion in revenues and employed nearly 4 million people in 1997 alone. More than 60 percent of new businesses started in the home.

It is interesting to note that 53% of small businesses are home-based, yet at the local legislative levels, many are not protected under existing municipal codes and regulations. According to U. S. Department of labor research statistics, sixty percent of jobs generated by small firms are more likely to be filled by younger workers, older workers, former welfare recipients, and many of these workers prefer or are only able to work on a part-time basis, and thus can be more easily accommodated by small businesses. Three-quarters of new business owners are also employed in a wage-and-salary job at startup. During the most recent recession, small businesses of the nation that rallied, kept going, and added new jobs to the economy.

Environmental factors and supportive infrastructures conducive to the livelihood of large corporations are very often nonexistent for small businesses. There are no tax abatements, jobs incentives, or means of leveraging credit available to small companies. Also, the negative effect of tax and regulatory burdens can often be experienced by publicly traded corporations. This has a direct impact to the shareholder and least of all to the well paid executives who run the firm. A small business may be hit with an environmental fine or tax penalty so as to threaten or interrupt its lifecycle. SBA sponsored research indicates that 17percent of all U. S. non-agricultural workers-are engaged in some entrepreneurial activity, including both full-time and part-time entrepreneurship. These are the innovators of U. S. inventions and jobs.

During the startup phase in the lifecycle of a small business, the goal is to survive. At this point a small business needs clear forward and accurate information, and the ease of securing it. They really need cash flow and lower tax burdens. Too many tax burdens. Complicated business manuals, complex and confusing tax codes discourage the new business owner. Attorneys, sources of capital and jumping through the hoops to get it often cause one who may have become a successful business owner to give up plans and just get a job. If our economy is to flourish and expand, it must be built by small business.

During the second stage of a small business cycle, the difficulties lie mostly in financing people, products, and services for more business. At this point, a business owner must make hard decisions to expand, to hire people or to hire more people. The problem, getting it is difficult without cash, safeguarding it requires cash. Access to growth capital and the ease of securing it are very much needed at this stage.

The second and third stages of small business development are generally thought to be the most difficult. They require greater accountability, and clearly defined goals of management. Building assets during this stage is difficult and costly. Supportive measures toward small businesses are very much needed at this stage.

The stage of maturity or fourth stage of small business development determines the survivability of a company. It requires employees to get the job done. The executives should now be running the company by administrative monitoring to ensure efficiency. This is generally the jumping off point for the next millionaire company. In this technological era, many have jumped from a small business in an earlier stage. This rapid leap brings it's own set of problems.

My next point of view comes from working with the third White House Conference on Small Business. When in 1995, close to four thousand small business people closed down shop and attended the conference. It was that important conference was to provide an opportunity for the small business community to make its views known and to have input to congress.

There were sixty major issues that the White House Conference Delegates determined to be of urgency to small business in areas of Capital Formation, Community Development, Environmental Policy, Human Capital, International Trade, Market Regulation and Paperwork, Taxation, Technology and the Information Revolution. The top sixty issues that were of concern to the small business community included eleven tax issues.

Six years later, the White House Conference Regional Tax Chairs (Tax Chairs), who are also small business owners, selected 2000 delegates to the 1995 White House Conference on Small Business. The Tax Chairs were elected by the delegates with responsibility for advancing implementation of the Conference's recommendations with regard to the tax issues and the delegates.

During the past six years, the Tax Chairs have had a strong relationship with Congress and have diligently worked on important committees to address small business concerns. Tax Chairs have testified on numerous occasions concerning the needs of the nation's small businesses. We believe that you listened to us in the past and it is reflected in the tax and small business legislation that has come out of previous congressional sessions, i.e., Small Business Jobs Protection Act of 1996, The Small Business Tax Relief Act of 1997, The Minimum Wage Bill and others.

There is much more that needs to be done to help small business. Currently, the Tax Chairs are looking for an adequate and fair Tax Bill. Several proposed bills are on the table. They each have some good provisions within them. Elements of a good tax bill are included in S. 189 "Small Business Works Act of 2001" and the Small Employer Tax Relief Act (SETRAII) H. R. 1027.

Tax Issues that we continue to support on behalf of small business owners are covered in detail in the attachment to this writing. We recognize that many of them are addressed in the current tax

We would like Congress to consider acting quickly on the following outstanding small business issues. I have insight to the Independent Contractor issue. Excerpts from a letter that the Tax Chairs sent to the Ways and Means subject of Estate Tax are included under that title. All other issues are clearly defined and discussed in the attachment

### **Clarification of the Independent Contractor Definition:**

The White House Conference issue to receive the most votes of all sixty was the issue of redefining the independent Business people shared many horror stories of what had happened to them or other business owners during audits were put out of business as a result of the assessment of fines and penalties due to incorrect classifications even when present.

The current law addresses the question "who is an employee?" rather than "who is an independent contractor" north focus on the issue, when what is required is a reverse point of view. In other words, let's first clearly determine contractor, anyone else must be an employee. At the present time, the Internal Revenue Service seems to favor any rather than to independent contractor. This is usually an economical decision. The fines and penalties are revenue but have not led to increased compliance.

In my business, I provide ongoing financial consulting and guidance to business and individual clients. I use Independent Contractors when necessary and I am often hired out as an Independent Contractor. I market my accounting consulting services as an independent contractor. As an independent contractor, I have been adversely affected by the now stands and is administered by the Internal Revenue Service. (Revenue Ruling 87-41 defines a twenty-factor common law principles.)

Due to the nature of the work that I am educated, trained and skilled to perform, I am best able to provide my business clients as an independent contractor. As an accountant and business consultant, I must maintain principles and action. The small business clients whom I service are small or micro businesses, start-ups or sometimes just people. They cannot afford to hire me as an employee nor do I want to give up the control and independence required to complete types of jobs.

### **Estate Tax Reform:**

The Tax Chairs recently sent a letter to Chairman Thomas of the House Committee on Ways and Means, for Tax, that discussed our outlook on the President's Tax Proposal. Following are excerpts that reflect our concerns:

The President has proposed a tax relief measure that incorporates full repeal of the estate tax, phased in over a period of the tax credit for research and experimentation. We are gratified his proposal addresses these elements of tax relief which the Conference Congress, and which we have personally recommended to your Committee in past testimony.

We have said in the past that the White House Conference endorsed full repeal of the estate tax, but the delegates have been reluctant to reduce the tax that heirs to a business might pay at the death of a principal owner in order to preserve what is the single largest source of revenue for the small business. The passage of a small business from one generation to the next also has a positive impact on the community, promoting community support of community groups, and an active interest in maintaining the quality of education and life in the "neighborhood." Whether the exclusion or move family-owned business or farm property out from under the estate tax is welcomed.

The President's proposal does not appear to specify how property that passes to heirs is to be treated for tax purposes. The question is whether the property receives a stepped up basis, or whether the old basis is carried over to the heirs. Several members of our White House Conference have expressed the complexity and difficulty of keeping adequate records to support a carry-over basis. The country has been down this road before and the taxpayers still get severe headaches whenever they recall the difficulty of reconstructing the basis of business (or other) property that has been in a family for many years.

If the revenue were necessary to make the President's tax plan feasible, we would urge the committee to raise the threshold for payment of the estate tax to a sufficient level to ensure that most small businesses are completely excluded. In the alternative, we ask the committee to consider evaluating the basis of property (a safe harbor) that will not require weeks or months of evaluation and paperwork.

The fourth Small Business Conference is considerably overdue. We hope that this congress will review proposals submitted and discussed in the previous congress. Several of the Tax Chairs are at present actively working with small business to make sure that nothing happens.

A real opportunity exist for the 107<sup>th</sup> Congress to take positive action on issues that are vital to the survival of small business. There are still many important things that a bi-partisan Congress can do to help small business.

The White House Conference on Small Business Tax Issue Chairs welcome the opportunity to continue our work on ideas that would help the nation's small business community. We hope Congress continues to listen to the recommendations of small businesses and analyze all legislative proposals for their impact on small businesses and their employees. Small business is the majority of new jobs for our economy.

Attached is a copy of the latest "Tax Action Plan" of the White House Conference on Small Business Regional Tax Chairs and your staff to review. Thank you for your time and attention to the needs of small business.

Sincerely,

Joy J Turner, Owner, Jeffers Business Services and  
Regional Tax Chair, White House Conference on Small Business

## The White House Conference Tax Chairs

---

Region 1	Debbi Jo Horton	E. Providence, Rhode Island
Region 2	By Turner	Piscataway, New Jersey
Region 3	Bill Gansler	Baltimore, Maryland
Region 4	Jack Oppenheimer	Orlando, Florida
Region 5	Paul Hense	Grand Rapids, Michigan
Region 6	Tommy Bargsley	Austin, Texas
Region 7	Edith Quick	St. Louis, Missouri
Region 8	Sam Turner	Salt Lake City, Utah
Region 9	Sandra Abalos	Phoenix, Arizona
Region 10	Eric Blackledge	Corvallis, Oregon

### Attachment

## WHITE HOUSE CONFERENCE ON SMALL BUSINESS

### TAX ACTION PLAN

*A NOTE ABOUT THIS PLAN: This TAX ACTION PLAN was developed and published by the Regional Tax Issue Chairs representing the 2000 delegates to the White House Conference on Small Business. These priorities were developed with the input and active assistance of thousands of small business people who were Delegates to the last White House Conference on Small Business. Because federal tax laws impact every small business, it is critical to the growth and progress of the small business community that the law reflect sound public policy and fundamental fairness while imposing as little administrative burden as possible.*

*A NOTE ABOUT THE TAX CHAIRS - The Tax Chairs were elected by Delegates from each region of the country, and given the responsibility for advancing implementation of the Conference's recommendations on tax issues and reporting progress back to the delegates. The Tax Chairs have testified before Congress on ten occasions, and meet periodically with the staffs of the Ways and*

*Means Committee, the Finance Committee, and the House and Senate Small Business Committees to help further develop clarifying legislation. In addition, the Tax Chairs have worked with IRS Commissioner and the Office of Tax Policy at Treasury to create policies that are helpful to small businesses.*

## **TAX SIMPLIFICATION IS KEY**

The unifying thread running through all the recommendations of the White House Conference is a desire to reduce the overall burden on small businesses. The key to simplification for small businesses is the tax code. Allocating and reporting income taxes and payroll taxes is a burden on every business and may be the only interaction that most businesses have with the federal government. Simplifying the tax reporting situation for every small business. Federal government studies demonstrate that it costs small businesses considerably more, in terms of time and money, with the tax laws than it costs large businesses.

The conclusion is that small businesses are at a significant competitive disadvantage from the start due to governmental requirements. The Tax Chairs fully support the restructuring passed by Congress and implemented by the IRS, and urge that the focus remain on helping small businesses by simplifying the law and reducing the administrative burdens the tax system imposes.

One of the major recommendations of the White House Conference urged Congress to concentrate on creating a simpler and more efficient tax system. The attendees did not specify what that system should be, but the overriding principle, whether the entire system is overhauled or modified, is that each proposal be thoroughly analyzed for its impact on small business. New systems that increase the tax or the record keeping burden will only prolong the existing problem.

Within the context of the current tax code, the following items top the list of the recommendations made by the delegates to the conference. These items we believe can be addressed in the bills before Congress. Each item reduces the complexity of the Code or extends to small businesses the benefits that ensure that government requirements do not interfere with their competitiveness.

## **100% HEALTH CARE DEDUCTION FOR THE SELF-EMPLOYED**

The tax issue chairs are gratified with the progress that has been made to achieve the full deduction of health care expenses for self-employed individuals. They are disappointed that equity will still be phased in over 5 years. Equal treatment with large businesses should dictate that small businesses be able to deduct the cost immediately. The White House Conference recommendation called for the immediate increase to 100% and that **the deduction be taken from the business income, prior to the calculation of the self-employment tax.** Although there is some tax loss, the immediate increase helps serve the policy goal of providing health insurance for as many people as possible. When the cost is too high, the small employer to buy health insurance for themselves and their family, (note that 1.4 million children of self-employed individuals are uninsured) may decide to forgo offering it to their employees as well. In other types of businesses such as C-corporations, the health insurance cost has always been fully deductible. The Tax Chairs feel tax based decisions should not be substituted for sound business decisions. The 107<sup>th</sup> Congress and President Bush should enact legislation to allow immediate full deductibility at the full cost for all business owners.

## **ESTATE TAX REFORM**

One of the strongest recommendations of the White House Conference on Small Business was a call for the repeal of the estate tax. The 1997 included a provision that provides some help for a qualifying small business (in cases where the value of the small business is less than \$1 million). While this is welcome relief, more needs to be done to protect businesses from being dismantled at the death of the principal.

from one generation to the next has a positive impact on the community, promoting stable employment, long-term support of interest in maintaining the quality of education and community infrastructure.

If outright repeal is viewed as too costly, proposals that provide for a more effective targeted reduction of the tax burden on small business. By focusing the legislation, Congress can provide relief directly to farms and small family businesses with a relatively small loss. By adopting a tax policy that moves the country toward the positive goal of sustaining the economic vitality of a small business and a family, Congress can avoid the expensive and complex estate plans and insurance. The reality today is that elaborate and costly estate plans must often be developed, which drains assets from productive business investment. Without such complex plans, there is no assurance that the business will survive the generation of owners and workers.

## **EXPENSING**

**Internal Revenue Code §179 Expensing** - The expensing limit of IRC §179 will be gradually increased to \$25,000 (by the year 2000) from its current level as a result of the Small Business Job Protection Act passed by Congress in 1996. We appreciate the act but would urge greater increases and quicker implementation. The Tax Chairs would support, for example, the increase of the limit to \$50,000 in full immediately. Expensing is one of the most useful tax simplifiers for small business, but its use still remains limited. In 1996, Congress correspondingly raise the \$200,000 phase-out limit on purchases. These days, one piece of machinery (even for a very small business) can effectively eliminating many small businesses from any benefits.

**Expensing Extended to Costs of Fixing Up Property** – The Tax Chairs support using expensing provisions to cover property up and improvement costs. Small business store owners should be able to expense the costs of improving their store front or property to remain competitive and to help ensure that the shops “on the downtown square” remain an attractive shopping destination. The act as S. 1341, The Main Street Business Incentive Act, which was introduced in the last Congress, could provide substantial assistance to cover a reasonable cost.

**Software Expensing** - One area where the Tax Chairs feel Congress could make a tremendous contribution is to allow expensing of business purchases standard software for business purposes. It is practically impossible to determine what the useful life of software technology, useful life gets shorter and shorter as better products that exploit hardware advances seem to hit the market continually.

## **FULL DEDUCTION FOR MEALS AND ENTERTAINMENT**

The White House Conference on Small Business recommended restoration of the full deduction for meals and entertainment costs. Although no legislation has yet received the support necessary for enactment of full deductibility, the Tax Chairs would support any step in the right direction. Provisions that would raise deductibility to 60% or 80% would be valuable to small businesses. Those whose business depend on networking contacts or personal presentations to close the deal. Often times the “shop floor” or the marketing and negotiations and the best alternative is in a food serving establishment. The tax chairs believe that reasonable provisions can prevent abuse.

## **NO INCREASE OF PAYROLL TAX**

The payroll tax can be especially burdensome on a small businesses because it is a regressive tax which must be paid whether or not the business is profitable. The White House Conference was concerned that increasing the payroll tax not be viewed as a “quick and painless fix” for the federal employment benefits trusts. The Conference recognized the importance of public confidence in the programs but felt that a direct correction. Other correction proposals, such as fund diversification or partial privatization, should also be analyzed for their potential.

## **CLARIFICATION OF THE INDEPENDENT CONTRACTOR DEFINITION**

Resolving the long-standing employee vs. independent contractor controversy was the number one recommendation of the White House Conference on Small Business. The current vague standard leads to retroactive reclassifications by the IRS and substantial tax assessments plus interest. The IRS assessed almost \$750 million using such reclassifications between 1987 and 1994. While there have been a number of proposals to reduce overzealous enforcement, as long as the standard remains unclear, worker classification is a problem. There must be a clear difference between an employee and an independent contractor so that a business can utilize contract service providers with confidence. I have worked with key House and Senate Committee staff members and Administration Officials to indicate the types of legislation that would provide security for small businesses while protecting the rights of workers who are properly classified as employees. The Tax Reform Act of 1986 consensus can be reached on this issue and should be adopted in the 107<sup>th</sup> Congress.

## **ALTERNATIVE MINIMUM TAX REFORM**

In connection with the White House Conference on Small Business, one of the final 60 recommendations made by the White House Conference on Small Business Congress included an overall desire for a simplification of the tax code, particularly as it related to small business. However, as Section 1202, lower individual income tax rates, various new tax credits and other similar legislation, without a corresponding increase in the alternative minimum tax provisions, these newer provisions are having the unintended effect of subjecting middle income taxpayers, and particularly small businesses, to its impact and significantly eliminating some of the benefits intended to be provided from the tax provisions mentioned earlier.

Accordingly, the White House Conference Tax Chairs urge the Members to seriously address alterations to the Alternative Minimum Tax. A tax incentive provision can have the benefit that Congress intended.

## **Supplement**

### MAIN STREET, USA

The real view of Main Street, USA is best seen through the eyes of those who 'live' there. So recently, I interviewed a small business owner with whom I had contact for several days. These to me are the business people who really are the backbone of our economy. I asked each one, if you were talking to congress right now what would you say is your most important concern in doing business?

The doctor, who employees 25 people said his concerns were tax reform, payroll taxes and regulatory reform. I

better medical insurance coverage and improved medical tax deductions, he could offer more and better service to his self-employed patients needed immediate medical care and could not afford it. One had stopped coming for treatment because he could not borrow money to pay for needed treatment.

The printer was quite disturbed that he had not been able to get additional capital to expand his plant. His family, which has been in our town over eighty years, he employed 15 people but couldn't get a business loan large enough to expand. His expenses had become too high for his level of receipts. He moved into a smaller, less expensive building and now services less people.

The dentist said if his patients could improve their economic status, then his business would improve. He employed 10 people. When the economy looks bleak, people stop getting the necessary dental treatment that they need. He felt that his clients needed better insurance coverage. He also had concerns about the paperwork and regulatory red-tape associated with getting insurance companies. This, he said, adversely impacted his cash flow but the insurance companies hold his payments longer than they should do for his accounts payable.

The CEO of a minority-owned advertising specialty firm said corporate restructurings and internal changes included in the 2002 legislation diminished the commitment of corporate America to minority vendors. He said, "The business is not there," even though they are committed to contracting opportunities. "They talk a good game but they still are really not doing what they say."

The husband and wife team were quite disturbed that business opportunities were not available to them as a small business. They could not afford to bid on larger, bundled contracts. Their concerns also included tax compliance issues and all the paperwork and red tape concerned with when they should be out securing business. Corporations that procure goods and services are not always using the service of Minority Vendors. In spite of existing programs, there is no commitment of corporate America to minority vendors, the executive said, they talk a good game but don't do anything.

An owner of a CPA firm had this to say, "The issue of pensions and health care is as important to small business as the issue of tax. Small business has a terrible time paying for health care that is not deductible for self-employment tax purposes. It is also very difficult to have a difficult time funding retirement due to restrictions on owners in funding pensions."

The owners of several family-owned Funeral Home establishments expressed immediate concerns about cash flow, reclassifications, and the red tape associated with accounting for inventory and OSHA requirements. While they recognize the need for extra services from larger businesses, they felt that small one or two person businesses should have more flexibility than larger conglomerates. They were very concerned about the possibility of current Estate Taxes that could cause their heirs to lose the family business.

A computer software specialist was concerned about the cost and complexity he is incurring because of the need to hire a consulting business. He was one of many independent contractors with whom I spoke (or work with) who had experienced the "get no work" rule put upon them by large corporations when he sought work projects or sub-contracting opportunities. They don't want to run the risk of having contractors reclassified as employees long after the work has been done. This is a concern of the small business community to have a clearer definition of what determines who is an independent contractor.