

OPENING STATEMENT AS PREPARED FOR DELIVERY



**Opening Statement of
Chairman Steve Chabot
House Committee on Small Business
“Keep It Simple: Small Business Tax Simplification and Reform,
the Commissioner Responds”
April 13, 2016**

Good afternoon. Thank you all for being here. A special thanks to our witness, IRS Commissioner Koskinen, who has taken time away from his schedule during an especially busy week to be here with us today.

Earlier today, our Subcommittee on Economic Growth, Tax and Capital Access heard from a panel of small businesses and experts who serve the small business community. Whether we are here in our hearing room or when we visit small businesses at home, we hear from folks who tell us repeatedly that the Tax Code is too complex. People want to obey the law. However, the Tax Code gets more and more complicated every year, and it makes it harder and harder for small companies to get it right and to take full advantage of provisions designed to help them.

The complexity of our tax laws steals valuable resources – both time and money – from these businesses. It hinders their ability to grow, succeed, and create the jobs we need.

Making the Tax Code simpler is particularly important for American small business owners, as they are disproportionately affected by tax complexity. GAO testified before this Committee in July of last year that small businesses with 1-5 employees face an estimated tax compliance burden of more than \$4,000 annually per employee.

The problem is a combination of substantive and administrative complexity – meaning that not only is the law itself complicated, but the entire process of compliance is complicated as well. Tax laws alone come in at close to 3,000 pages. Regulations promulgated by the IRS add at least another 9,000 pages. When you add in case law, the total increases exponentially, up to around 70,000 pages.

Our country’s small businesses can’t keep up. We need to get our tax code working for small businesses instead of against them. That’s what we are here to talk about today, and I look forward to hearing the Commissioner’s ideas, as well as our Members, on how we can work together on this. This committee takes seriously its responsibility to listen to America’s small businesses and to work with them to make the Tax Code simpler and easier to understand. Again, I want to thank Commissioner Koskinen for joining us today. I now yield to our Ranking Member, Ms. Velázquez, for her opening statement.