



SMALL BUSINESS
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COUNCIL

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CHIEF COUNSEL FOR ADVOCACY FOR SMALL BUSINESS

Winslow Sargeant has been confirmed by the Senate to be Chief Counsel for Advocacy for Small Business. The Chief Counsel serves as the “in-house” voice for small business within the federal government. SBLC has had a strong relationship with all of the Chief Counsels including Dr. Sargeant who has been on the job as a recess appointment up to this point.

If he had not been confirmed, the recess appointment would have expired at the end of this year, and most likely we would have been without a Chief Counsel all of next year. If you want to see what the Office of Advocacy does, check out <http://www.sba.gov/advocacy>

SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM

Congress has extended the SBIR program and the Small Business Technology Transfer (STTR) program for 29 days. Not going to go into details of the programs and the painful reauthorization process. This is the 14th extension of the SBIR and STTR programs since 2008. See the 03-21-11 Weekly for details of these two programs.

GOVERNMENT CONTRACTOR WITHHOLDING REPEAL

The House has re-passed the bill, H.R. 674, to repeal the three percent tax withholding that was about to be imposed on federal payments to government contractors. The House had to pass this version after the Senate modified the House-passed bill with the addition of a veteran jobs tax credit measure. The bill is on its way to the President for signature and he will sign it.

BALANCED BUDGET AMENDMENT

The House failed to approve the Balanced Budget Amendment by the requisite margin to meet the Constitutional amendment requirement. The vote was part of the debt ceiling increase deal.

It looks like the Committee of 12 will fail. Sequestration does not happen until 2013 so there will not be a lot of handwringing about spending cuts in the short term. Without a deal, expiring tax issues will dominate the rest of this year and next. In the short term, the expiration of current temporary payroll tax relief for employees at the end of the year will be the primary topic of discussion between Thanksgiving and Christmas. There are a lot of other

credits and deductions that expire at the end of the year. Some of them can probably be dealt with on a retroactive basis, the R&D credit, the increase in the Alternative Minimum Tax income thresholds are big ones. There are some important energy efficiency credits that expire at the end of this year. As next year progresses, the discussion will be about what happens at the end of 2012 such as the pending restoration of 4.6 percent to the top marginal rate, the restoration of the estate tax at old rates and exemptions at old levels, the expiration of the depreciation bonus, the drop in the direct expensing allowance and dozens of other expiring tax relief items. All piling up as the presidential and congressional elections take the center stage.

As to the Balanced Budget Amendment itself, the debt ceiling increase required a vote on it only. There was a sweetener to increase the debt ceiling by an additional amount, if the two chambers both passed it by margin to allow presentation to the States, but that was viewed as unlikely from the get go.

HAPPY THANKSGIVING

Best wishes to all for a Happy Thanksgiving. Thank you for your support.