



Antique Rose Flowers & Gifts <sales@antiqueroseflowers.com >
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To: Jennifer Wood Inforeg/OMB/EOP@EOP

cc:

Subject: Comments Regarding Federal Regulations Including Federal Regulations Affecting Small Business

I listened to the President's address yesterday morning to the Women Entrepreneurship in the 21st Century Summit. When I arrived at work afterwards, I was reminded of his commitment to reduce regulations that are counterproductive to succeeding in small business:

"There are a lot of federal regulations that complicate the lives of small business people all across the country. The SBA has calculated that the hidden costs of regulations to businesses with fewer than 20 workers -- and it's this -- it comes down to \$7,000 per worker. That's a lot of money, particularly if you're trying to figure out ways to expand your employment base. And this is a drag on our economy. Hidden costs are a drag on the U.S. economy."

I can give you one example of a regulation that I can't even find, but is driving me nuts. Over the past few weeks, I have been contacted several times by customers demanding that I provide them with my Federal Employer ID number; some have even threatened me with fines if I refused to do so, also refusing to pay the amount due unless I provided them with a W-9 or the information over the phone. I contacted the IRS for clarification, but received the following:

"In general, businesses are required to obtain the TIN (EIN) from vendors if they are required to file any return, document or other statement that calls for the taxpayer identification numbers (TINs) of other taxpayers."

That's it...a very general answer to a very specific question. As far as I know, if someone orders flowers from us, they don't have to report our EIN to the IRS, and I am unaware of any requirement for me to provide the EINs for my wholesalers. Nevertheless, the requests are beginning to grow and you can imagine the productivity wasted in gathering this information from every vendor used and every business customer that small businesses provide goods and services for. We are only in our second year of operation and have yet to even take home a check, but we pay our taxes and our employees. There may be a good reason for everyone keeping EIN's on everyone we do business with, but for the life of me, I don't understand what it is.

Yes, Mr. President, "There are a lot of federal regulations that complicate the lives of small business people all across the country."

Terry L. Daugherty
sales@antiqueroseflowers.com