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Congressman Adam Smith Small Business Update

May 2010

Working to Spur Investment in Small Businesses and Provide Tax Relief

9th Congressional District Small Business Forum

On Thursday, June 3, from 7:30 a.m. to 11:30 am at the ShoWare Event Center in Kent, Washington, I will host a forum with small businesses and federal, state, and local agencies to learn how they can most effectively work together.

Small businesses face many challenges, including getting access to capital, lowering energy costs, funding research and development, and training their workforce. I want to better understand how government can help and hope that you will be able to attend the forum to offer your input.

All small business owners and representatives are welcome to attend this free event. For further information, or to RSVP, please call (253) 593-6600 or e-mail SmallBizForum@mail.house.gov.

Small businesses are the backbone of our economy. One of my top priorities in Congress is to work with small business owners and employees to better understand what government should be doing - and perhaps more importantly, should not be doing - to best assist their progress as they work to create jobs and grow our economy.

On June 3, 2010, I will host a forum with small businesses and federal, state, and local agencies to learn how they can most effectively work together. Small businesses face many challenges, including getting access to capital, lowering energy costs, funding research and development, and training their workforce. As you continue to work to grow your business, I want to better understand how government can help. I hope you are able to attend the forum and offer your input. Please view the back of this newsletter for more details.

Small businesses are the anchor of our communities - employing our families, neighbors, and friends. We cannot overlook the crucial role they play in driving economic growth and creating jobs. Small businesses create more than half of the private gross domestic product (GDP), employ just over half of all private-sector employees, pay 44% of private-sector payroll, and have generated 64% of the new jobs over the past fifteen years (Small Business Administration). Supporting local companies continues to be the key to reviving our economy.

Our nation's long term economic stability relies on small businesses and their ability to compete and grow in an increasingly interconnected world. In the pages ahead you will read about a few of the policies that I have worked on in Congress to support our small businesses. I urge you to continue to contact my office and provide input as to how government can help you create jobs in our communities and spur economic growth. Please do not hesitate to contact me via e-mail at adamsmith.house.gov or at (253) 593-6600.





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At an international trade event in February, Adam spoke about the importance of supporting our small businesses and helping them to compete in the global market place.

Boasting Small Business Exports

As global markets continue to flourish and become more interconnected, we must work to find ways for our small businesses to benefit and thrive. Currently, some of Washington State's small businesses lack the support they need to increase their exports and tap into international markets.

After working and consulting with local partners and small businesses, I've sought federal support to spearhead the Washington BRIC (Brazil, Russia, India, China) Export Initiative.

The purpose of this initiative is to actively increase exports by Washington State small businesses through direct exposure to the BRIC markets and support services to successfully negotiate international deals. This will enable Washington companies to reach rapidly expanding markets through local connections in a cost-effective manner.

Supporting Small Business Growth through Increased Lending

In order to fully recover from the economic downturn we have been experiencing and to help get hard working Americans back to work, we must cultivate and provide avenues for small businesses to prosper. In February, the President outlined a plan to help do just that.

The Small Business Lending Fund, which will transfer \$30 billion from the Troubled Asset Relief Program (TARP) to a new program that will support small business lending, is designed to help small businesses access credit and provide incentives for them to hire more employees. The Small Business Lending Fund will be targeted at local community banks that lend the most to small businesses, and offer incentives for banks to increase their small business lending. This proposal can help put small and medium-sized banks back in a position to step up lending and support job creation in their communities.

The Hiring Incentives to Restore Employment Act

Getting Americans back to work is one of Congress' top priorities. On March 4th, the House passed H.R. 2847, the Hiring Incentives to Restore Employment (HIRE) Act. This bill is another step in a series of actions taken by Congress over the last year to restore the American economy.

This measure:

- Provides businesses with an exemption from Social Security payroll taxes for every worker hired in 2010 who has been unemployed for at least 60 days. The longer that a business has a new qualified worker on its payroll, the greater the tax benefit.
- Provides an additional \$1,000 income tax credit for every new employee retained for 52 weeks.
- Includes tax cuts to spur new investment by small businesses to help them expand and hire more workers.
- Extends authorization for the Highway Trust Fund, continuing tens of billions of dollars in infrastructure investment.
- Enacts provisions - modeled after the Build America Bonds program - to make it easier for states to fund infrastructure projects, such as school construction and energy projects.

The Hiring Incentives to Restore Employment (HIRE) Act regulates foreign financial transactions, including new information reporting requirements, withholding requirements, and penalties to curb abuses of offshore financial accounts. These new regulations will be used to offset the cost of the legislation. The President signed this bill into law on March 18.



Adam received the Goodwill National Policymaker Award for sponsoring legislation to help expand the workforce training capacity of organizations like Goodwill.

Working to Support Small Businesses as They Create Jobs and Grow Our Economy.