



December 8, 2011

The Honorable Jim Jordan  
Chairman  
Republican Study Committee  
U.S. House of Representatives  
1524 Longworth House Office Bldg.  
Washington, D.C. 20515  
*Electronically Transmitted*

Dear Chairman Jordan:

Getting the U.S. economy back on track requires a comprehensive effort of pro-growth tax and regulatory relief. That's exactly what is achieved in the Jobs Through Growth Act (H.R. 3400).

The Small Business & Entrepreneurship Council (SBE Council) and its members across the nation appreciate your sponsorship of the Jobs Through Growth Act, which would remove barriers to and energize entrepreneurship, business, investment and job creation. SBE Council strongly supports this legislation.

For example, by reducing the top personal and corporate income tax rates to 25%, our competitiveness would be improved, with incentives enhanced for working, and starting up and running businesses in the U.S.

Entrepreneurship and investment also would benefit tremendously by setting the capital gains tax rate at 15%, and indexing gains for inflation. It's important to keep in mind that inflation raises the real capital gains tax rate. For example, on a two-year investment returning 12%, without indexation, an annual inflation rate of 4% means that the real capital gains jumps from the nominal 15% rate to 45%.

For good measure, family businesses and investors would reap rewards from the elimination of the death tax. In turn, of course, that would be positive for investment and jobs, as resources would be moved away from wasteful expenses on tax avoidance measures and to productive endeavors driven by private market incentives.

The efforts to rein in regulatory excesses in the Jobs Through Growth Act are equally important. As most small business owners will tell you, regulatory costs are just as real and burdensome as are taxes. And the regulatory activism in recent years has taken a significant toll on businesses of all types and sizes due to both rising costs and uncertainty, and therefore, has restrained investment and hiring.

H.R. 3400's requirement, for example, of congressional approval for any "major" rule projected to have an annual economic impact of \$100 million or more would bring much-needed accountability to the regulatory system.

Finally, government delays and obstacles to expanded domestic energy development not only hit the many small businesses at work in the energy sector, but wind up affecting most small firms through higher energy costs. Key among the act's measures are removing unnecessary delays in the Gulf of Mexico OCS permitting process; opening up ANWR, the OCS, and waters in the Eastern Gulf of Mexico to energy exploration and development; repealing the Environmental Protection Agency's greenhouse gas regulation and preventing the EPA from imposing regulations in the name of climate change; and removing barriers to approving the Keystone Energy Pipeline. These steps would expand energy affordability and security.

Thank you for your important work on the Jobs Through Growth Act.

Please feel free to contact SBE Council with questions or if we can be of assistance on this critical legislation for small businesses and our economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Kerrigan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Karen Kerrigan  
President & CEO