February 2, 2012

United States Congress
Washington, DC 20510

Dear Member of Congress:

The newly formed National Main Street Business Coalition (NMSBC) has come together to advocate for sensible, non-partisan solutions to issues critical to our businesses’ survival. Recent attempts by Washington to support “small businesses” have fallen short of their intended mark. Existing brick-and-mortar microbusinesses have not seen measurable results from the recent litany of legislative and regulatory relief efforts purportedly aimed at small businesses. We call on Congress to consider, and ultimately pass, legislation that would “right-size” policies to better allow our members to sustain and grow their operations in local communities.

Too often in Washington, the words “Main Street” and “small business” are used interchangeably. Small companies, as defined by federal standards, will often be five to ten times the size of our typical member businesses. In fact, the profile of a typical Main Street business is one that:

- Employs fewer than 10 full-time employees;
- Is independently-owned and operated, often by a sole-proprietor or family;
- Is organized as a “pass-through” entity for tax reporting purposes;
- Is considered successful even with a single-digit profit margin.

Though the annual revenue of a Main Street business is reflective of the product or products they sell, a vast number of these business are undoubtedly much smaller than you might think. According to a 2007 report by the Treasury Department’s Office of Tax Analysis, approximately 3.6 million businesses in the U.S. had less than $1 million in annual revenue in 2007. “One-size-fits-all” solutions to small business issues are not always the best solutions for Main Street businesses.

As entrepreneurs and realists, we believe that our country’s economic “sweet spot” exists at the intersection of Main Street, Wall Street and the information superhighway. Although the values of convenience and purchasing power cannot be ignored for e-retailers and “big box” stores, the value of brick-and-mortar microbusinesses to local communities should, likewise, not be discounted. Main Street businesses are the backbone upon which local communities thrive. They are local employers, pillars of community commerce, generators of local public revenue and stabilizing entities that fight off crime and blight. Main Streets are where your constituents directly and indirectly reinvest in themselves.
Main Street businesses and the communities they serve would benefit greatly from changes in the tax code and a functioning capital program in order to sustain these small enterprises in local communities. Specifically, the NMSBC is asking Congress to:

- **Develop programs allowing the Small Business Administration (SBA) to enhance access to capital for brick-and-mortar microbusinesses, and,**

- **Reform and simplify the current tax code to allow microbusinesses to invest capital into their operations and their local communities.**

The current suite of capital programs offered through the SBA does not work for Main Street microbusinesses. The NMSBC encourages Congress to develop another tool for the toolbox, modeled from an existing SBA program, to encourage private investment in existing Main Street businesses and communities across the country. Further, we ask that Congress examine and implement the recommendations of tax reform panels during both the Bush (2005) and Obama (2010) Administrations that call for simplification in the tax code for our country’s smallest businesses. The simplification of accounting practices and expansion of expensing would allow Main Street businesses to more appropriately reinvest capital already earned by their business, rather than directing it towards costly compliance.

Owners of Main Street businesses cannot afford to be wallflowers in an ever-changing global marketplace. But they also cannot continue to sustain and grow their businesses with both hands tied behind their backs. We look forward to working with you to sustain Main Street businesses in your local communities, while preserving and enhancing the communities that these businesses serve. Providing for greater certainty through a simplification of tax policy and more flexibility in accessing capital will free our members up to do what they do best...their jobs.

For more information, please contact Corey Connors at (703) 836-8700, or by email at cconnors@safnow.org.

Sincerely,

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The National Main Street Business Coalition includes the following participants:

Chartered by an Act of Congress in 1884, the Society of American Florists (SAF) is the national trade association that represents and supports the entire floral industry. This includes nearly 10,000 small businesses located in every state and Congressional district nationwide including growers, wholesalers, retail florists and industry suppliers. Floriculture has grown over recent years to a value of nearly $35 billion at the retail level. For more visit: www.safnow.org

NACS was founded August 14, 1961, as the National Association of Convenience Stores. The U.S. convenience store industry posted $575 billion in total sales in 2010, or one out of every 25 dollars of the overall U.S. gross domestic product. The majority of NACS members, and the industry as a whole, are small, independent operators. Of the 146,000 convenience stores in the United States, 63 percent are owned and operated as a one-store small business. For more visit: www.nacsonline.com

The Retail Bakers of America (RBA) was founded in 1918 as a 501(c)(6) not-for-profit trade association, and represents approximately 1,000 retail bakeries, industry suppliers, universities, students, educators, retired industry professionals and entrepreneurs. For more visit: www.retailbakersofamerica.org

The North American Retail Dealers Association (NARDA), a not-for-profit trade association established in 1943 with members throughout North America. Its members are independent retailers of kitchen and laundry appliances, consumer home electronics, furniture, bedding and computers. NARDA members are located throughout North America and represent over a billion dollars in annual sales. For more visit: www.narda.com

With more than 1300 members, the American Specialty Toy Retailing Association (ASTRA) is the largest association for companies in the toy and children’s products arenas. ASTRA and its member companies promote the growth of the toy industry by delivering products that serve children’s best interests. Because Community Matters, ASTRA members thank you for shopping locally. For more visit: www.astratoy.org

Established in 1885, the National Newspaper Association (NNA) is a not-for-profit trade association representing the owners, publishers and editors of America’s community newspapers. NNA’s mission is to protect, promote and enhance America’s community newspapers. Today, NNA’s 2,700 members make it the largest national newspaper association. For more visit: www.nnaweb.org