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4 Tax Code Changes To Inspire Business Confidence

Businesses want simplicity and lower tax rates. Here's how we should start.



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It's a sad state of affairs when Jay Leno can make this joke, as he did recently:

"President Obama held a press conference today. He said he still wants to close the Guantanamo Bay prison facility, but he doesn't know how to do it. He should do what he always does: Declare it a small business and tax it out of existence."

We can argue about whether the punch line is true, but either way, the suspicion persists. And it hurts the business confidence that is essential to get more hiring and generate more wealth. Everyone (except maybe Jay Leno) would win if the administration took steps to dispel this notion.

The Internet sales tax bill passed by the Senate is the latest example of government adding complexity and confusion. If this becomes law, will small businesses have to file 50 state returns? The government should be figuring out ways to be less of a burden so we can focus on growing our businesses and creating jobs. Unfortunately it seems all too busy doing the opposite.

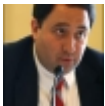
But how? The following four steps would be a win-win for both parties, since they would appeal to both the Republican and Democratic base:

- Simplification of the personal tax code, so there is less suspicion that someone somewhere is getting

away with something.

- Reduction of the corporate tax rate, which is 35 percent, to the average rate of our biggest trade competitors, so we don't compete with an arm tied behind our backs and so we have more money to re-invest in our businesses. At Marlin Steel, we believe we've lost a few jobs to competitors in other Western countries due to their corporate tax advantage.
- One-time lower tax on repatriation of profits earned overseas. That way, big companies can bring home profits without paying large, double taxes, which is why they're currently parking that money overseas. The government would get some revenue, and those companies would have more money to buy products from small businesses like mine.
- A two-year holiday on the one percent FICA tax--known as the payroll tax--for both employees and employers. People would have more money to spend and companies would have fewer obstacles in the way of hiring more workers.

<http://www.inc.com/drew-greenblatt/4-tax-code-changes-to-inspire-business-confidence.html>



***Drew Greenblatt** is the president of **Marlin Steel**, a U.S.-based manufacturer of wire baskets and sheet-metal fabrications. Marlin has grown 25% over the past three years and has a record of 1,422 days without a safety problem.*

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