



AMERICAN SUSTAINABLE
BUSINESS COUNCIL
ACTIONFUND

March 13, 2015

The Honorable Keith Ellison
2244 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Raúl Grijalva
1511 Longworth House Office Building
Washington, D.C. 20515

Dear Chairmen and Members of the Congressional Progressive Caucus,

The American Sustainable Business Council (ASBC) welcomes the opportunity to share the priorities of more than 200,000 businesses and 350,000 entrepreneurs as you prepare your Fiscal Year 2016 budget. We hope that your budget will share our goal of creating opportunities for middle class workers by leveling the playing field for small businesses and enhancing income security through increased worker ownership.

ASBC believes the tax system can be a force for good by incentivizing behavioral outcomes that will lead to a more sustainable economy. Any reforms to the tax code should tilt the playing field back in favor of small business owners and entrepreneurs, as the last three decades have seen tax revisions primarily favoring larger enterprises. ASBC has a number of specific policy requests that we hope you will take into consideration.

We support making health care costs fully deductible for self-employed individuals. Currently, self-employed individuals must pay payroll taxes on their health insurance costs, a burden not shared by large corporations who are able to fully deduct the cost of providing coverage for their workers. We believe this has a chilling effect on entrepreneurship, as self-employed people are more likely than others to not have adequate and affordable health coverage.

ASBC supports permanently extending Section 179 expensing for small businesses, and raising the expense limit to an amount well above \$25,000. This would provide long-term stability for small business owners and allow them to stimulate the economy through hiring and reinvestment. We applaud Representative Velázquez for voicing support for expanding Section 179 during the March 4th Small Business Committee hearing and encourage you to make this policy change a priority in your budget.

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We hope that your budget will reflect a commitment to worker ownership, both of the companies for whom they work as well as the broader economic recovery. Employee stock ownership plans (ESOPs) give workers a financial stake in the company that employs them, and they have been seen to boost worker productivity and morale. ESOPs provide workers a novel approach for building towards their own retirement security, in stark contrast to the risky investments made on Wall Street. We encourage your budget to incentivize more companies to offer ESOPs to their workers.

Social impact bonds represent an exciting new opportunity for the federal government to collaborate with the private sector to address social issues that hold back economic progress. By utilizing outcome-based contracting, the government ensures effective stewardship of taxpayer resources while experiencing enormous cost savings when these crucial outcomes are achieved. We encourage your budget to include provisions from the bipartisan Social Impact Partnerships Act, the savings from which we believe would pay for itself several times over.

We are very thankful for the opportunity to lend our voice to the discussion surrounding your Fiscal Year 2016 budget proposal. As our national economic recovery continues apace, we are excited at the prospect of building a more sustainable economy for future generations through equitable taxation and effective government spending.

Should you have any questions, please contact us at your convenience.

Thank you,

A handwritten signature in black ink, appearing to read 'Richard Eidlin', is centered on a light gray rectangular background.

Richard Eidlin
Co-founder and Vice President of Policy