

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The top bulb has a dark blue cap. The bottom bulb has a light blue cap.

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*SMALL BUSINESS LEGISLATION: SOURCES OF
INFORMATION*

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Abstract. This report responds to inquiries concerning major legislation affecting small business. It considers some of the general subject areas that tend to be of particular significance to smaller firms.

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Small Business Legislation: Sources of Information

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Summary

This report seeks to respond to inquiries from congressional staff who request information about major legislation affecting small business. More specifically, staffers often ask CRS to furnish a list of bills of interest to small firms and their owners. For reasons discussed below — including conceptual problems related to constructing such a list — it seems unwise and inadvisable to do so. There are a host of resources, including numerous CRS reports, dealing with issues important to small business. This report considers some of the general subject areas that tend to be of particular significance to smaller firms, and suggests approaches Member and committee staff may wish to use in deciding which small business-related legislation is of consequence. This report will be updated should circumstances warrant it.

Which Legislation Is Important to Small Business?

“Small business” is not a precise economic term, and no single definition commands consensus. But even using the most narrow definitions, there are in excess of 6 million of them operating in the United States.¹ While they frequently share common concerns about legislative issues under consideration by Congress, it is not too much of a stretch to say each business has its own views and priorities.

Many small businesses have no employees. Indeed, the “sole proprietorship” — an organization owned and usually operated by a single individual — is by far the most common form of private business ownership. Relatively few of the nearly 18 million sole

¹ How many small businesses are there in the United States? No single answer suffices. By the broadest measure, there are about 25 million. This is the number of business tax returns filed with the Internal Revenue Service (IRS). In 1999, an estimated 24.8 million non-farm business tax returns were filed for 5.3 million corporations (including about 16,000 large firms—those with 500 or more employees), 1.8 million partnerships, and 17.7 million sole proprietorships. For detailed statistical information, go to the SBA’s Office of Advocacy website [<http://www.sba.gov/ADVO/>]

proprietorships are much interested in legislation having to do with minimum wages, pension funds, or group health insurance. On the other hand, most of these issues would be of considerable interest to many or most of the nation's nearly 5 million small corporations. And, much tax legislation and many bills concerned with banking and other financial-related issues are of widespread interest to businesses of all sizes.

Firms in different industries often have specialized legislative interests. Whether an enterprise is engaged in manufacturing, services, retail trade, etc., would almost surely determine the bills to be included in a list "major small business-related legislation." For all these reasons and more, any list would have to be considered arbitrary.

Furthermore, it is prudent to keep in mind that legislation which often does not appear to be small business-related will — in reality — have more of an effect on more small businesses than many bills specifically tailored to assist small firms. Legislative decisions relating to the hundreds of billions of dollars in federal spending for highways and national defense, to name two areas, have huge consequences for small business.

Nevertheless, it is understandable that from time-to-time congressional staff find it necessary to seek information and analysis of certain bills that have relevance to particular segments of the small business community or to compile lists of small business-related legislation. So that CRS may best respond to those requests seeking information and analysis, it is suggested congressional staff endeavor to be specific and focused — and, to the extent possible, indicate the intended purpose of the request. With regard to compiling lists, congressional staff will find the World Wide Web has greatly simplified such a task. Useful websites abound.

Key Internet Resources

Perhaps the best starting points are the House Small Business Committee [<http://www.house.gov/smbiz/>] and the Senate Small Business Committee [http://www.senate.gov/comm/small_business/general/]. These sites show the bills the committees are actively considering, and they offer press releases, testimony, publications, information about hearings, and links to other useful websites.

The U.S. Small Business Administration's (SBA) *Communications with Congress* [<http://www.sbaonline.sba.gov/news/indextestimony.html>] is a useful place to find testimony on agency-related legislation, and its *Business Resources* links page [<http://www.sbaonline.sba.gov/hotlist/>] is also useful.

Recognizing that not all sources can be considered unbiased and non-partisan, other useful websites include:

- ! National Federation of Independent Business [<http://www.nfibonline.com/>]
- ! National Small Business United [<http://www.nsbu.org/>]
- ! National Foundation for Women Business Owners [<http://www.nfwbo.org/>]
- ! U.S Chamber of Commerce [<http://www.uschamber.org/>]
- ! National Association for the Self-Employed
[<http://selfemployed.nase.org/NASE/>]
- ! National Association of Development Organizations
[<http://www.nado.org/legpolicy.htm>]