

"No one likes uncertainty, but Missourians who own small businesses dislike uncertainty more than most - and with good reason.

Our agricultural producers detest the uncertainty of the weather; an ill-timed period of rain can keep them out of their fields for weeks and yet the ill-timed absence of rain can dry up an entire crop. Our small business owners despise the uncertainty of the markets - will they have enough customers each month to meet their expenses? And families hate the uncertainty of not knowing the next big expense to hit their budgets: a medical bill, a truck breaking down, or a big electric bill to keep the house cool.

But add to all these uncertainties one that is being imposed by the federal government - the uncertainty of taxes.

As conservatives including me have pointed out in recent months, the tax policies of this administration have heaped uncertainty at the feet of Americans who own and operate small businesses, threatening the jobs they provide in our communities.

Next year, the liberals' plan would raise income taxes on many small business owners by three and five percent. It's not a small problem; some 30 million U.S. tax returns report small business income. Because the business income of these small business proprietors is treated the same as personal income by the Internal Revenue Service, more than half of small business profits in the U.S. would be subject to the tax increase.

The expiration of the estate tax is slated for 2011 as well. For families trying to anticipate the inheritance of a small business or agricultural operation, the reappearance of the estate tax is an unwelcome event in any shape. It is especially unwelcome, however, to know that the estate tax is coming back, but not to know how much the tax will be or who it will affect.

Next, the expiration of tax cuts on investment income, capital gains and dividend taxes, creates uncertainty for two very important groups of people. The first group is employers and, again, small business owners, who rely on investors for capital to run their operations. Private investment is essential to starting up new businesses and bringing entrepreneurial ideas to market. The second group hurt by this uncertainty is made up of Americans who depend on investment income to supplement Social Security and pensions in their retirement. Higher taxes on dividend income and capital gains hurts older Americans most, since this kind of income is a higher proportion of their monthly budget for paying bills, purchasing prescription drugs, keeping the air conditioning going in the summer, and paying their property taxes. For senior citizens, higher capital gains taxes are especially cruel.

Finally, small businesses in particular will be challenged by a slew of new taxes and surcharges from the new health care law as well as the implementation of a cap-and-trade policy of new energy taxes and fees. Not only will these twin terrors of the American small business community prevent businesses from surviving, they will also stop successful small businesses from growing. It's an economic climate our nation simply cannot afford.

Families who run restaurants, farms, dairies, mom-and-pop stores and family businesses - Americans who start up new businesses and take on risks that end up employing a dozen people in their communities - senior citizens who invest their whole lives in the companies that make our economy go - all these people depend on fair, predictable tax policy. Without it, we are in the same position as the farmer scanning the horizon for storm clouds. We know there will be a tax storm in 2011, we just don't know how bad the storm will be. Fighting back against the oncoming surge of taxes could just save our small businesses."