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Kelly Phillips Erb, Contributor

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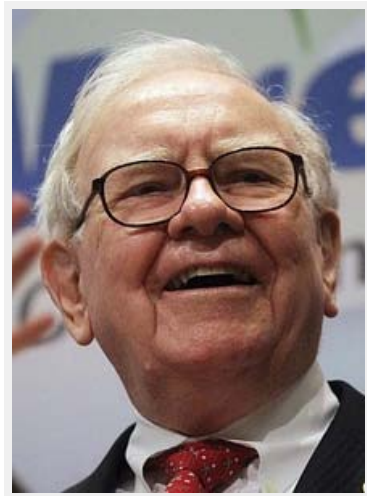
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More Small Business Owners Sound Off On Economy, Buffett Rule and Taxes

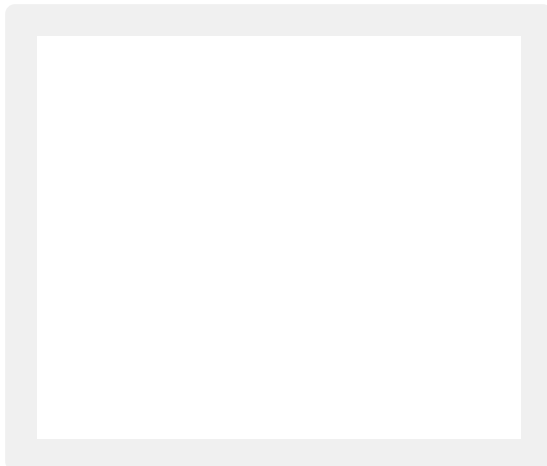
Earlier this month, [I asked small business owners to chime in on tax and economic policy](#). My panel of small business owners represented different industries and varying locations. Each had employees (ranging from 3 to 100) and their companies grossed at least \$250,000 last year.

The feedback from the piece was generally favorable. But readers questioned whether those businesses were actually representative of many small businesses across the country. In today's economic climate, readers and tax pros questioned why I didn't include even smaller businesses, those with less than \$250,000 – \$250,000 being the “magic number” for tax policy these days. And they were right. So this piece is a follow-up to that prior piece. This time, I've focused on more traditional small businesses, solos and employers, all of whom netted less than \$250,000 last year.

The small business owners who are featured in this story are Chad Archibeck, of CWA Enterprises, responsible for [Re-StringIt](#)); Rajendra Hariprashad of [Ace Tax Services](#) in Hollis, [New York](#); Robert Livingstone, President/Founder of [IdealCost.com](#) in Weston, Florida; Nickie Robinson, of [Good Girl PR LLC & PR PRO LLC](#), a New York City based public relations firm; and Edward Sullivan, CEO of [G2Link LLC](#) in Drexel Hill, Pennsylvania.



NEW YORK, NY - SEPTEMBER 30: Berkshire Hathaway Inc. Chairman and CEO Warren E. Buffett. (Image credit: Getty Images via @daylife)



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Kelly Phillips Erb, Contributor

Years ago, I found myself sitting in law school in Moot Court wearing an oversized itchy blue suit. It was a horrible experience. In a desperate attempt to avoid anything like that in the future I enrolled in a tax course. I loved it. I signed up for another. Before I knew it, in addition to my JD, I had a LL.M Taxation. I needed only to don my cape.... taxgirl® was born. Today, I live and work in Philadelphia, PA, one of the best cities in the world (I can't even complain about the sports teams these days). I landed in the City of Brotherly Love by way of Temple University School of Law. While at law school, I interned at the estates attorney division of the IRS. At IRS, I participated in the review and audit of federal estate tax returns. I even took the lead on a successful audit. At audit, opposing counsel read my report, looked at his file and said, “Gentleman, she’s exactly right.” I nearly fainted. It was a short jump from there to practicing, teaching, writing and breathing tax.

The author is a Forbes contributor. The opinions expressed are those of the writer.

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As before, our business owners were mixed in terms of how they viewed the economy. Archibeck, whose business is product-oriented, says that he's doing well as does Sullivan. Service-based business owners like Hariprashad noted that business has been worse for the last two tax seasons with more people on unemployment for the 2010 tax year and many not even qualifying to file for the 2011 tax year. However both Robinson and Livingstone viewed the downturn in the economy as an opportunity with Robinson noting that "business is the better in the current economic climate because I learned, in order to succeed in this market, you have to surround yourself with people who have the money to pay you-Fortune 500 companies and millionaires." Livingstone, too, said that he "saw opportunity to serve small businesses during a rough economic climate. In tough times companies are very intrigued when it comes to reducing expenses... I have found business growing consistently from 2009 to the present."

When it comes to taxes, our small business owners feel that they pay their "fair share" with Archibeck echoing the words of many when he says that he feels that he pays more than his share. Hariprashad was quick to point out that it's not just federal taxes that hit business owners like him: there's a hit at the state and local levels, too. He says he pays nearly 50 cents on the dollar in total tax.

However, the flip side isn't the case, according to our business owners. Like the business owners in the prior piece, most who responded in this round believe that not all of their fellow Americans are paying their fair share. Hariprashad, in particular, who prepares taxes for a living, confirmed that many people do not pay any taxes though "the people making over \$50,000 to about \$150,000 pay their fair share... they are also broke at the end of the month." Others cited statistics indicating that nearly half of Americans pay no tax as proof that there is inequity in the system.

That said, our small business business owners were mixed on whether they supported the so-called Buffett rule which would impose a minimum tax on those making more than \$1 million per year. Archibeck supports the rule in theory – with strings – since he wants to see the dollars used in a more constructive way: no carte blanche. Hariprashad supports the rule as a short term solution to a tricky economy but believes that it should not be made permanent. Sullivan does not support the rule but from a more practical stance than an equitable one: he believes "the more tests or calculations individuals and businesses must perform, the more chance for error" when it comes to taxes. Livingstone doesn't support the rule at all because he fears that, at "some point people making such an income would be less inclined to work so hard and hire others because of their reduced take-home pay" – the idea that taxing the job creators more would harm the economy. Finally, Robinson doesn't support the rule, relying on her law school background, where she learned that, "as taxpayers, we should be able to take advantage of tax loopholes to minimize tax liability and place ourselves in a lower tax bracket."

Our small business owners did tend to support the extension of the Bush tax cuts with Hariprashad being the exception; he prefers the focus be on using

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funds “to create jobs, rebuild the roads and infrastructures.” Robinson, however, says that raising taxes is not going to solve our problems, citing a concern about mismanagement of existing stimulus efforts. Sullivan echoed a sentiment that I tend to hear over and over which is that the debate over the cuts should be more about stability inside the tax code than an issue of “higher or lower” since the “the uncertainty causes more damage than the rates themselves.”

A few of our small business owners pointed out that it’s not so much about revenue as it is spending, with more than one voicing concerns about mismanagement of federal dollars. Robinson noted that the current administration has been throwing dollars at stimulus programs with little to show for it. Livingstone says the problem is that “we don’t have a tax collection problem, but rather a spending problem” and touted Ron Paul’s plan to significantly reduce spending as a potential solution.

When it comes to political alignments, most of our business owners describe themselves as moderate. Livingstone further explained that “beyond obvious variances in rhetoric I don’t find there to be much of a practical difference between the two major parties” – a point on which I think more Americans are finding to be the case.

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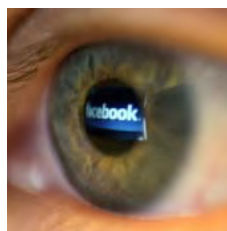
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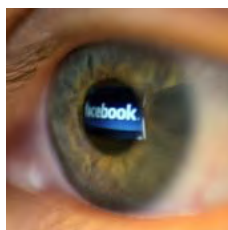
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- rpascott** 6 days ago
 ...of course REAL small businesses PAY their taxes.

And as most pointed out, they pay local and state taxes as well... and they create jobs. BUT what about people who only live off of tax sheltered income from inheritance, stock investment or offshore bank accounts. IF they show no income they pay ZERO Federal... ZERO State.... ZERO local taxes. THESE are the people you need to look at. They do nothing for our economy, they create NO jobs and they free-load off of other taxpayers. Those that DO pay their 15% against stock investments do NOT pay enough... So says Warren Buffet.

Do NOT muddy the water by lumping true small businesses with free-loading Billionaires. It's time light is shed on these people and they pay up.

America.... Love it or leave it... Just pay your taxes BEFORE you go.

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