



# GROWING BRAND-NEW ENTREPRENEURS

## TAX REFORM 2.0

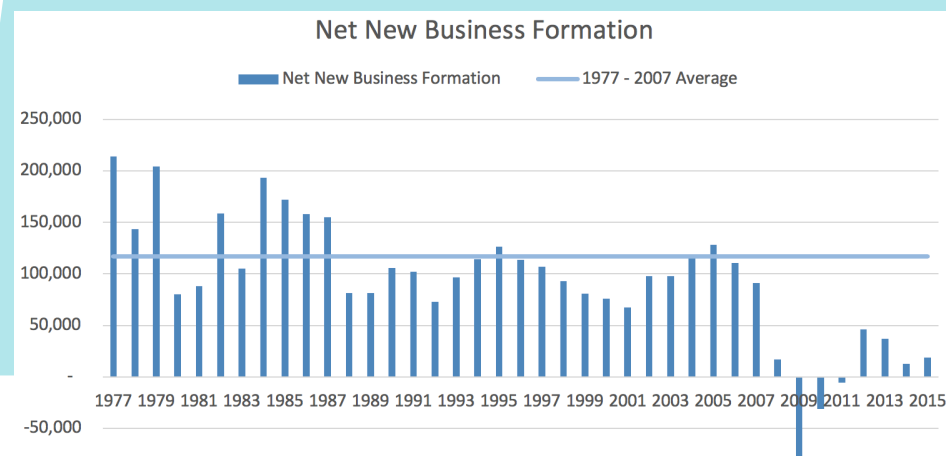
Start-up businesses are outsized contributors to innovation and productivity as well as job creation. Our tax code should **help entrepreneurs move from the kitchen table to Main Street and beyond.**

Earlier this year, the United States dropped out of Bloomberg's list of the top 10 most innovative countries in the world, which includes countries like South Korea, Singapore, Sweden, and Germany.

This is a problem—and more importantly, it is a call to action. We know **the nation that wins the innovation race wins the future.**

New business formation took a dramatic downturn during the recession, but the decline has been ongoing for decades:

- In 1977, start-up businesses made up 16% of all businesses
- In 2015, start-up businesses made up only 8% of all businesses



Between 1977 and 2007 the economy added nearly 120,000 net new businesses each year.

However, since 2008 the economy as added only about 2,000 new businesses per year on average.

## Promoting Start-up Businesses

As part of an annual focus on encouraging innovation, **Tax Reform 2.0 will help brand-new businesses** by helping with startup costs and capital:

- Allowing new businesses to write off more of their initial start-up costs
- Allowing start-ups to expand by bringing in new investors without triggering limits on their access to tax benefits like the R&D credit for activities conducted in their early years

With a renewed focus on innovation and entrepreneurship, Tax Reform 2.0 will help these risk takers create jobs, invest in their communities, and continue strengthening America's economy.