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**ONE VIEW**

# *Corporate tax dodging hurts America's small businesses*

**By Nicole Sligar**

How is it fair that small-business owners like me pay our taxes like we're supposed to, while our tax code allows some multinational corporations to pay nothing in federal income taxes?

I run Shoestring Promotions, a business in Las Vegas. I traveled to Washington, D.C., recently to meet with Sen. Harry Reid's aides and other Nevada representatives to urge them to take action against big businesses that are avoiding paying federal taxes, as well as supporting small businesses like mine that pay our fair share.

I told our representatives that whatever they think about taxes, we should be able to agree that all businesses — large and small — should compete on a level playing field. There should not be loopholes that let large multinationals use armies of tax lawyers and accountants to book their profits to tax havens like the Cayman Islands, where they pay little to no taxes. It's outrageous that there is a single building in the Cayman Islands that is home to nearly 19,000 "corporations."

Tax haven loopholes cost an estimated $90 billion in lost federal revenue each year, and every dollar corporations avoid in taxes means another dollar paid by someone like me or increased cuts to public programs and investments that help make America a great place to do business. Even though Nevada doesn't levy a state corporate tax, the average small-business owner in Nevada would have to pay $3,770 to cover the cost of the federal taxes avoided by multinationals.

Large multinationals get all of the benefits of American infrastructure, security and education, but let the rest of us foot the bill. No one — least of all a wildly profitable company like GE — should get a free ride.

I hope that my representatives take what I said to heart. If they do, they'll soon have a chance to prove it as Congress is considering whether to renew two offshore tax breaks with the arcane names "active financing exception" and "controlled foreign corporation look-through rule." If Congress takes no action, these ridiculous loopholes will be gone from the tax code.

Unfortunately, I know that for every person like me that our representatives hear from, they hear from a throng of corporate lobbyists talking about how they need the loopholes to be "competitive."

I was disappointed to find out that the Senate Finance Committee caved to special interest pressure by extending these loopholes.

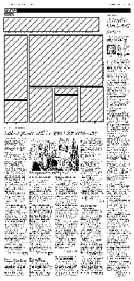
Even though the corporate lobbyists won the first round, our elected leaders can still stop this nonsense and stand up for small-business owners.

Our elected leaders must focus on a different kind of competitiveness.

They should fix the tax code so that small businesses don't face a competitive disadvantage vis-a-vis large multinationals.

The tax dollars saved by closing offshore loopholes could be put to better use investing in infrastructure and education, which is what actually makes America a good place to do business.

*Nicole Sligar is the owner of Shoestring Promotions.*





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**House Ways and Means Committee member Rep. John Lewis, D-Ga., testifies during a hearing on a package of 55 popular tax breaks.** AP



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