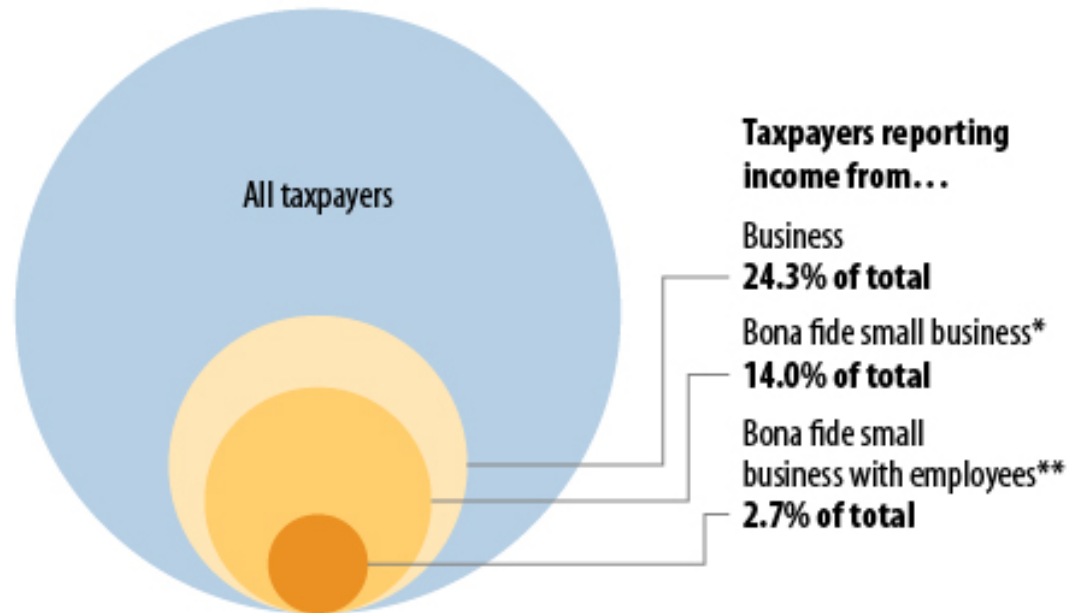


# National Data Shows Few Taxpayers Own a Bona Fide Small Business With Employees

Only 2.7 Percent of Taxpayers Own Small Business with Employees



\*The Treasury Department defines a bona fide small business as one with between \$10,000 and \$10,000,000 in receipts and at least \$5,000 in business related expenses.

\*\*The Treasury Department considers a small business to have an employee if it incurs at least \$10,000 in wage or salary expenses.

Source: Knittel et al., Treasury Department 2011, Tables 14-15

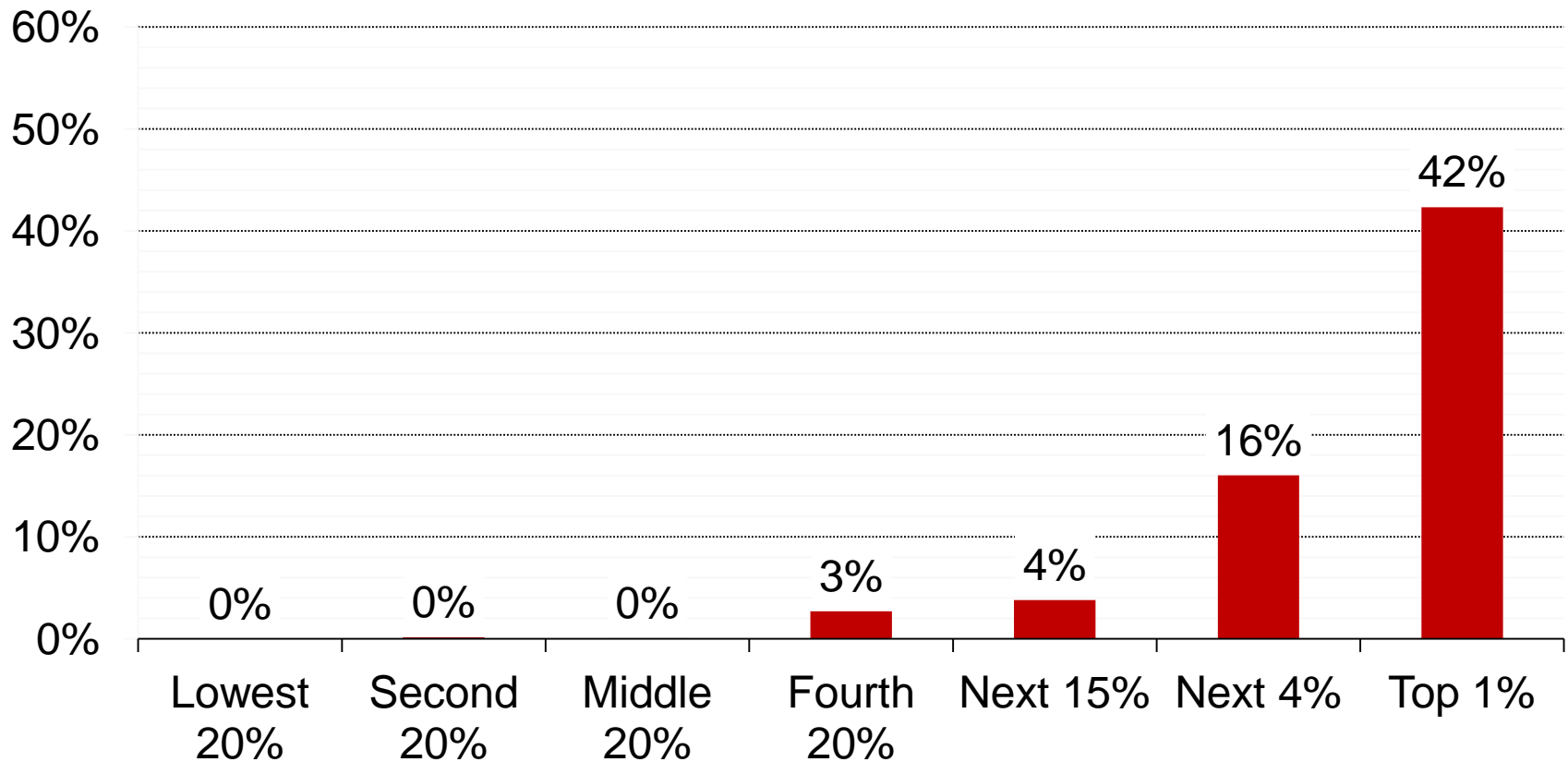
Center on Budget and Policy Priorities | [cbpp.org](http://cbpp.org)

# Analysis of “Small Business” Proposal at State Level:

## Flat 7 Percent Tax for Schedule E Business Income

# Flat 7% Rate for Schedule E Business Income

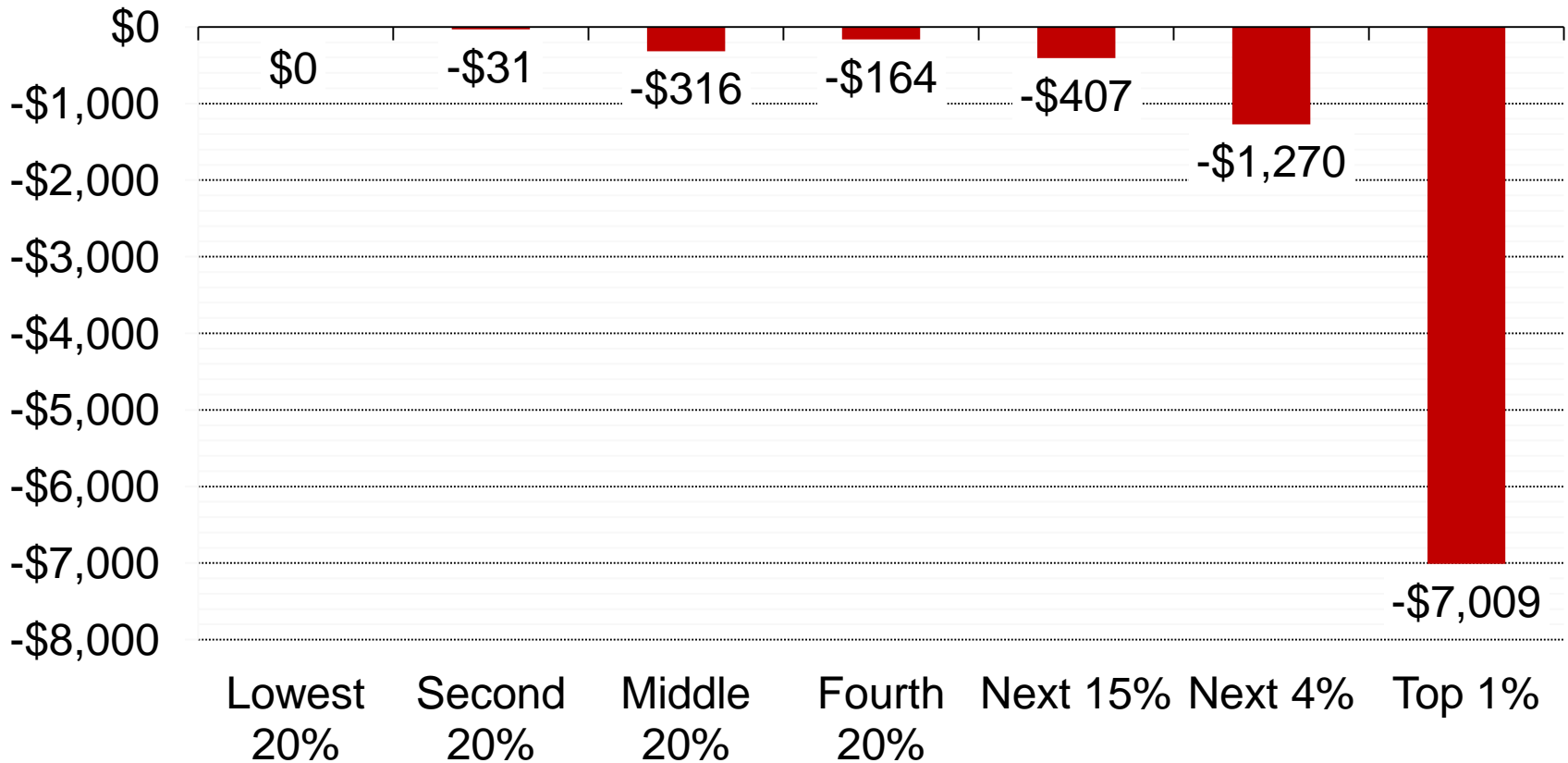
## Share with Tax Cut



Source: Institute on Taxation and Economic Policy, June 2013

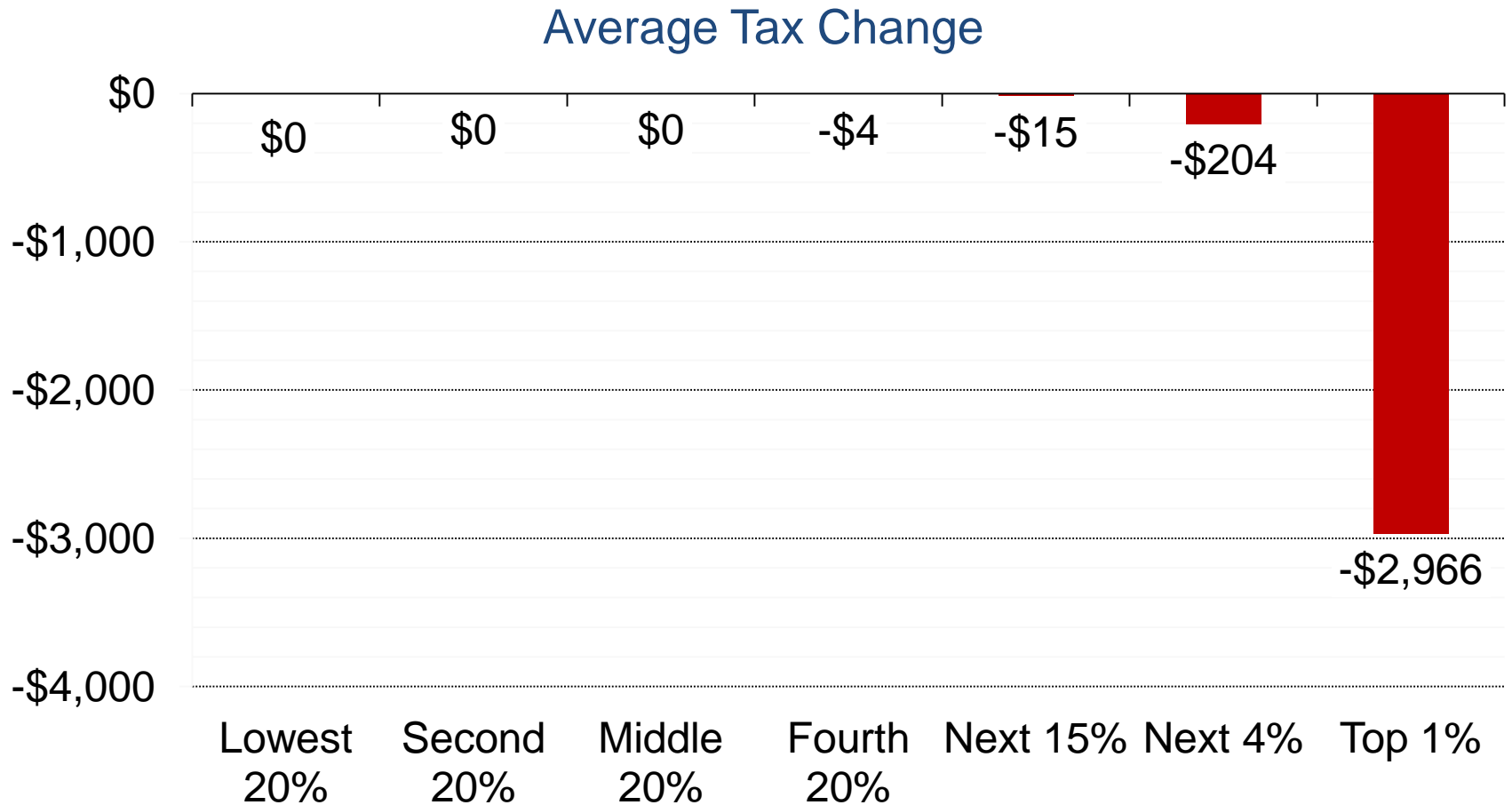
# Flat 7% Rate for Schedule E Business Income

## Average Tax Cut for Those with Cut



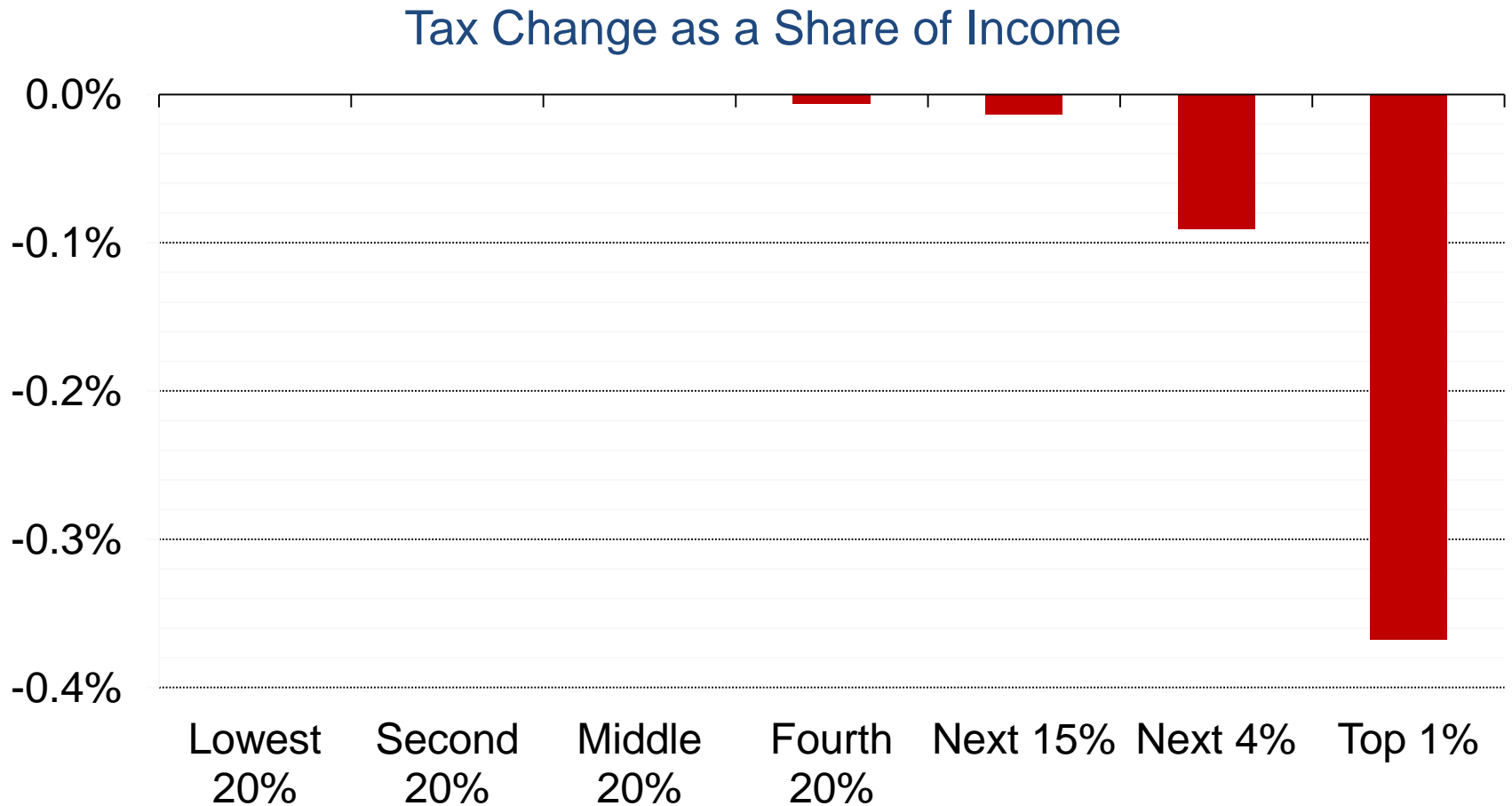
Source: Institute on Taxation and Economic Policy, June 2013

# Flat 7% Rate for Schedule E Business Income



Source: Institute on Taxation and Economic Policy, June 2013

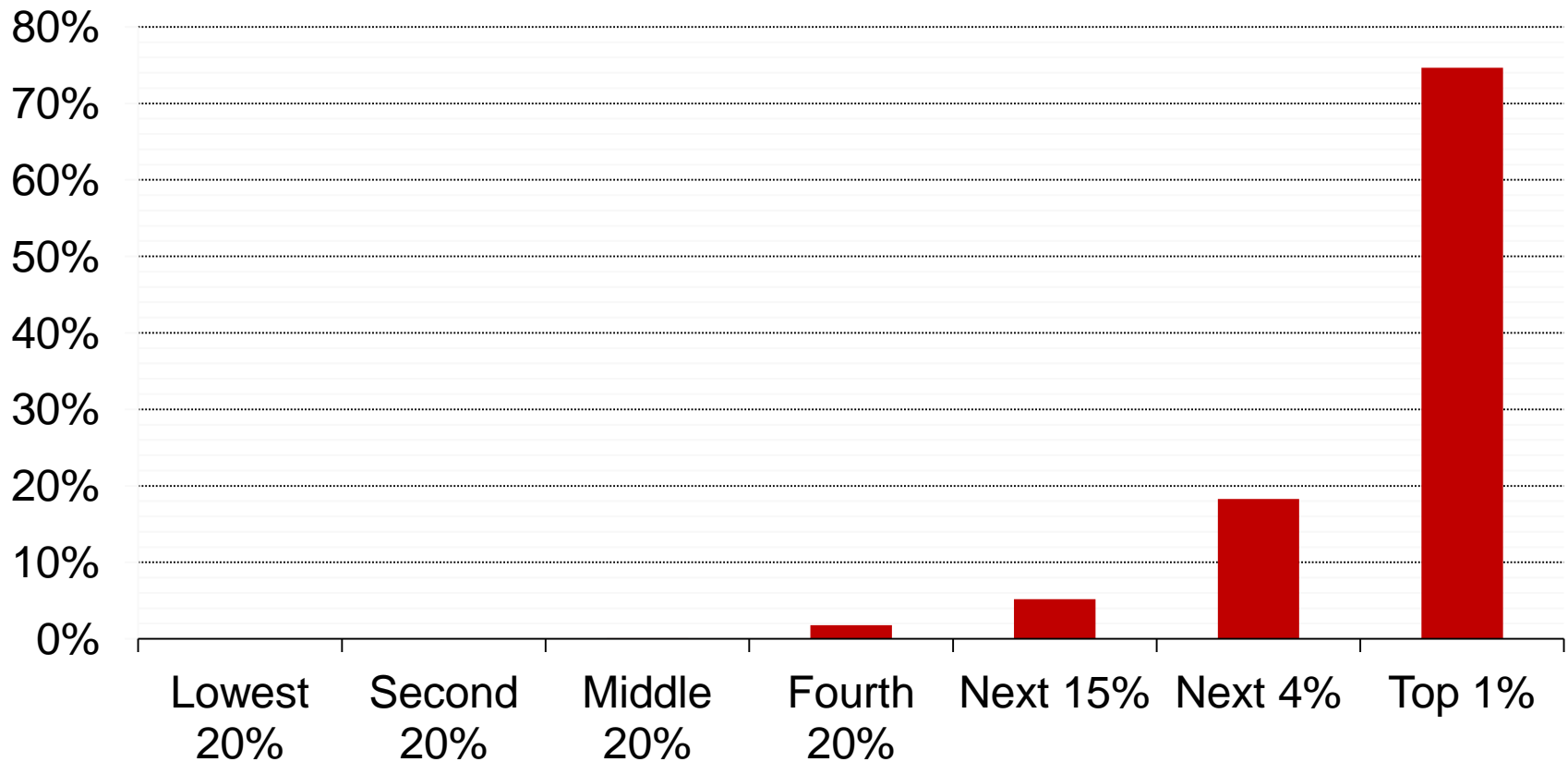
# Flat 7% Rate for Schedule E Business Income



Source: Institute on Taxation and Economic Policy, June 2013

# Flat 7% Rate for Schedule E Business Income

## Share of Tax Cut



Source: Institute on Taxation and Economic Policy, June 2013