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Assembly Committee on Jobs, Economic Development and the Economy

NFIB appreciates the Legislature addressing the economic impact of the COVID-19 pandemic on California small businesses. NFIB has been the voice of small business in California and across the nation for 77 years. NFIB represents approximately 15,000 dues-paying small businesses in California.

There are 4.1 million small businesses in California that comprise 99.8% of all businesses, according to the [latest report](#) from the U.S. Small Business Administration. Those small businesses employ 7.2 million Californians, which make up nearly half (48.5%) of the Golden State's private enterprise workforce.

COVID-19 and government-imposed business shut-downs have had a devastating impact on the viability of small businesses throughout the state. While many large retailers have recorded record profits because of the advantage of remaining operational, small businesses have suffered immeasurably because of government policy. Through no fault of their own, many small businesses are struggling to survive because of forced closures and limited operations. Through business surveys and reported news, it is anticipated that as many as one-third of all small businesses will not survive without more funding or a sudden change in government policy.

When setting policy and considering legislation this session, we would encourage the Legislature to be mindful on the impact any legislation may impose on already struggling small businesses. These policy areas include:

- California Family Rights Act for Small Employers
- Cal/OSHA testing and paid leave
- Net operating losses and tax credits
- Private Attorneys General Act
- Property Taxes
- Telecommuting
- Unemployment Insurance Trust Fund
- Taxes

Of further priority are three actions the Legislature could take that would be of immense help to small business solvency:

- pass [Assembly Bill 281](#), to align the state's tax treatment of PPP loans to the federal government's
- support a measure giving small-business owners liability protection against unfair COVID lawsuits accusing small businesses of being the source of a virus that could have been contracted anywhere
- support the SALT (state and local taxes) provision in the governor's proposed budget and SB 104 (McGuire), which would allow state taxes to be calculated in a way to reduce the federal tax burden.

NFIB thanks the committee for letting us speak on behalf of California small-business owners.

Sincerely,
NFIB California