

LARRY'S LETTER

DECEMBER 2016

Dear SCBA Members:

If you are reading this you are a member of the South Carroll Business Association and you know that on November 8th, Donald Trump was elected to be the 45th president of the United States and will be sworn in on January 21, 2017.

The next four years are likely to be very different than the past as they affect our businesses. Here are a few things that may affect you, as a business owner:

Personal Taxes. Trump's campaign promise was that he is going to reduce personal taxes to a maximum of 25%, down from their current level. My hope is that, along with lowering, they are less complicated.

Business Taxes. We've all read about large businesses moving their headquarters overseas to avoid paying the highest tax rate in the world. If they are lowered, there is at least the chance that these companies will move headquarters back to this country and bring the money back that they now have in foreign banks.

The size of government. Trump has promised to freeze hiring of federal employees and to not fill openings when a worker retires. This should reduce the cost of government, and, hopefully, taxes.

Regulation – perhaps the biggest change of all. During my career I have seen federal and state regulations on business grow and grow and grow. I remember none that actually helped my business; but many that simply raised the cost of doing business.

In 2010, I was fortunate to be on a Baltic Cruise with the Young America Foundation, and our small group was granted a meeting with the President of Estonia, Mart Larr. He said that, as the first president after Soviet occupation, he had to come up with a quick method of taxing. He was able to implement a flat tax of 23% on all citizens. Make a million dollars and pay \$230,000. Make \$ 10,000 and pay \$2,300. No categories. In this way, everyone knows what they have to pay and everybody cares about taxes going up. Filing is simple.

The country needed jobs, so Mr. Larr announced to the world that any business that came to Estonia would pay zero taxes. Businesses came, and Estonia grew dramatically. One member of our group, Governor George Allen said he heard that Estonia has the fastest growing economy in Europe and President Larr said, "Actually it's the fastest growing country on earth."

Another member in our group, former Attorney General Ed Meese, asked if there were any people in Estonia had any trouble finding work and Mr. Larr replied, "Yes. Accountants and lawyers because we don't need either one."

Sincerely,

Larry Helminiak
SCBA Government Relations Liaison



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BUSINESS ASSOCIATION