

July 15, 2016

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: File No. S7-06-16, Business and Financial Disclosure Required by Regulation S-K

Dear Mr. Fields:

As a leading representative of the nation's 28 million small business owners, Small Business Majority is writing to comment on the U.S. Securities and Exchange Commission's (SEC) concept release regarding disclosure requirements. We encourage increased disclosure requirements to help address tax inequities between small and large businesses and level the playing field for entrepreneurs.

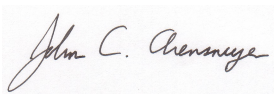
Currently, U.S. corporations are able to use legal accounting maneuvers to create offshore tax havens, which allow them to avoid an estimated \$90 billion in federal income taxes each year. Small businesses don't have the resources to engage in this type of tax avoidance, which leaves footing them bill for local resources like roads, schools and police. In fact, offshore tax havens cost the average U.S. small business [\\$3,244 per year](#).

Additionally, research shows small businesses strongly oppose tax inversions. Small Business Majority's [polling](#) of a random sample of entrepreneurs across the country found 75 percent believe their small business is harmed when big corporations use loopholes to avoid taxes, and 90 percent believe big corporations use loopholes to avoid taxes that small businesses have to pay. What's more, the polling found nine in 10 owners say the practice of U.S. multinational corporations using accounting loopholes to shift their U.S. profits to offshore subsidiaries to avoid taxes is a problem, and they support eliminating these tax breaks and providing incentives to bring production home.

Currently, corporations are often able to avoid disclosing subsidiaries located in countries regarded as tax havens. A report from [Citizens for Tax Justice](#) found that current regulations may allow corporations to omit up to 85 percent of their total and tax haven subsidiaries in 10-K filings. By increasing disclosure requirements for subsidiaries, policymakers and the public can gain a better understanding of the extent of tax havens—and how to tackle that issue.

We need reform on tax havens to protect small businesses and level the playing field. Increasing disclosure requirements is a good start to these protections, and we fully support the implementation of stricter requirements. Small businesses can't afford to continue paying their fair share while corporations pay less than they owe.

Sincerely,



John Arensmeyer, Founder & CEO
Small Business Majority

About Small Business Majority

Small Business Majority was founded and is run by small business owners to focus on solving the biggest problems facing small businesses today and to ensure that America's entrepreneurs are a key part of an inclusive, equitable, diverse economy. Since 2005, we have actively engaged small business owners and policymakers in support of public policy solutions, and have delivered information and resources to entrepreneurs that promote small business growth and drive a strong, sustainable job-creating economy. We are a team of 26 working from our 10 offices in Washington, D.C., and eight states: California, Colorado, Illinois, Maryland, Missouri, Ohio, New York and Virginia. We regularly engage our network of more than 50,000 small business owners and more than 6,000 business organizations, along with a formal strategic partnership program of more than 145 business organizations, enabling us to reach more than 500,000 entrepreneurs. Our extensive scientific polling, focus groups and economic research help us educate and inform policymakers, the media and other stakeholders about key issues impacting small businesses and freelancers, including access to capital, taxes, healthcare, retirement, entrepreneurship, workforce development, clean energy and immigration.