

March 16, 2009

The Honorable John McHugh  
U.S. House of Representatives  
2366 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Kurt Schrader  
U.S. House of Representatives  
1419 Longworth House Office Building  
Washington, D.C. 20515

Dear Representatives McHugh and Schrader:

The leading self-employed and small business organizations applaud your commitment to introduce the Home Office Deduction Simplification Act. This important legislation will greatly assist in simplifying tax preparation for our nation's home-based entrepreneurs and facilitate their use of the home office deduction, a critical tax benefit.

Home-based businesses are a vital segment of our nation's economy. According to research commissioned by the SBA Office of Advocacy, home-based businesses represent 52 percent of all firms in our economy. The concerns that entrepreneurs have voiced about the home office deduction are familiar and valid: the forms and instructions are too complicated, the paperwork requires too much recordkeeping and the time required to complete the forms is excessive. In addition, there is a substantial fear that claiming the deduction will trigger an IRS audit. All of these obstacles cause many home-based business owners, who qualify, to avoid the deduction altogether.

The creation of a \$1,500 standard home office deduction option as proposed in the Home Office Deduction Simplification Act would help address all of these barriers to utilizing the home office deduction. We believe that home-based entrepreneurs have been the foundation of innovation in our nation and have spawned many of our country's greatest enterprises. Legislation, such as the Home Office Deduction Simplification Act, which supports and helps these micro-businesses to do what they do best -- create jobs and economic growth -- should be the utmost priority of our nations' legislators.

Thank you for all your commitment to introduce this legislation and for your work on behalf of the self-employed and small business community.

Sincerely,

Alliance of Visual Artists  
American Homeowners Grassroots Alliance  
Associated Builders & Contractors, Inc.  
Association for Enterprise Opportunity (AEO)  
National Association for the Self-Employed (NASE)  
National Federation of Independent Business (NFIB)  
National Small Business Association (NSBA)  
Professional Photographers of America  
Small Business & Entrepreneurship Council  
Small Business Legislative Council (SBLC)  
Women Impacting Public Policy (WIPP)