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Subject: ObamaCare "Not Worth It" for Small Businesses

The Government Accountability Office released a [report](#) today regarding ObamaCare's small business tax credit, and the results were not encouraging. GAO found that both the number of firms claiming the credit and the total amount of credits issued were much lower than expected. What's more, only about one in six of the firms that did receive the credit were actually eligible for the full credit percentage. The report noted that "small employers do not likely view the credit as a big enough incentive to begin offering health insurance."

In addition, the GAO report found that bureaucracy was deterring firms from applying for the small business credit, particularly given that the credit itself was "insubstantial" for most firms. The report notes that claiming the credit requires ***"15 calculations, 11 of which are based on seven worksheets, some of which request multiple columns of information."*** Furthermore, "tax preparers told us it could take their clients *from 2 to 8 hours or possibly longer to gather the necessary information* to calculate the credit and that the tax preparers spent, in general, *3 to 5 hours calculating the credit.*" All of which raises an obvious question: What small business owner wants to – or is even able to – spend a full working day

gathering paperwork to claim a credit that may amount to a few thousand dollars at best?

Quotes from interviews GAO conducted with small business owners and tax preparers present a devastating indictment about the credit's ineffective and bureaucratic nature:

"People get excited that they're eligible and then they do the calculations and it's like the bottom just falls out of it [i.e., the credit] and it's not really there. It's almost like a wish that they might get it and then they do the calculations and *it's not worth it for them.*"

"Any credit that needs a form that *takes 25 lines and seven worksheets to build those 25 lines is too complicated.*"

Business owners "are trying to run their businesses and operate and make a profit, and *when you tell them they need to take 2, 3, 4 hours to gather this information, they just shake their head and say, 'No, I'm not going to do it.'*"

There's one obvious answer to this GAO report: **We told you so.** Republicans have [pointed out the credit's administrative complexities](#) since the law passed – and as recently as [earlier this month](#). The sad part is, the bureaucratic, ineffective, top-

down nature of ObamaCare's small business credit is but a microcosm of the 2700-page law, which continues to inflict its damage on the health care system and the American economy as a whole.

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