

Small Business Succession Planning Act

Endorsements: National Small Business Association, Illinois Farm Bureau, Rockford Chamber of Commerce, Quad Cities Chamber of Commerce, Peoria Chamber of Commerce, Greater Quad Cities Hispanic Chamber of Commerce, East Peoria Chamber of Commerce, Sauk Valley Area Chamber of Commerce, Monmouth Area Chamber of Commerce, Northwestern Illinois Economic Development, Knox County Area Partnership for Economic Development, Mercer County Better Together, Spoon River Partnership for Economic Development, Greater Sterling Development Corporation, Kewanee Chamber of Commerce, Hanover Chamber of Commerce, Pekin Area Chamber of Commerce, Freeport Area Chamber of Commerce.

Issue: In 2019, Congresswoman Bustos held economic roundtables with community leaders in Canton, Freeport, Galesburg and Sterling, Illinois. One common theme heard across these communities was that owners need help passing along their small businesses after they move on to new opportunities, retire or pass away. Statistics from across the country underscore this point. For instance:

- More than 58% of business owners do not have a succession plan;
- 47% of business owners over the age of 65 do not have a succession plan;
- Baby Boomers—who are now 56-74 years old—own 2.34 million small businesses in the U.S., employing more than 25 million people;
- The average leader transitions control of their business at age 62.

Further, over 25% of the small businesses that closed in 2015 were due to circumstances that a business succession plan would have helped weather:

- 21.9% Retirement;
- 4.7% Illness or injury;
- 3.1% Death.

Solution: That is why Reps. Cheri Bustos (IL-17), Andrew Garbarino (NY-02), Jason Crow (CO-06) and Tom Rice (SC-07) introduced *the Small Business Succession Planning Act* to bolster small business succession planning across the country. This legislation:

- Directs the Small Business Administration (SBA) to create an online business succession planning toolkit that walks small businesses through the process of creating a business succession plan with the help of SBA or resource partners;
- Requires the SBA to train local SBA staff and partners on utilizing the toolkit and working with small businesses to create a business succession plan;
- Encourages SBA to hold business succession planning workshops or events across the country;
- Stipulates that SBA create a plan for increasing business succession plans among small businesses, including among minority owned businesses;
- Creates a onetime \$250 tax break for small businesses that create a business succession plan to continue and pass on their small business;
- Creates an additional onetime \$250 tax break for the business when the succession plan is executed.