



NEWS RELEASE

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Chicagoland Small Businesses Benefit from New Tax and Expensing Provisions

*SBA assisted firms, Environmental Design International and Pacific Construction Services, Show
How New Law Helped Them to Hire New Employees, Purchase New Equipment*

CHICAGO, IL – Today, the U.S. Small Business Administration (SBA) hosted a small business roundtable discussion with the small business community. Local small businesses, lenders and the Internal Revenue Service (IRS) gathered to learn how the recent changes in the tax laws, signed into law last year by President George W. Bush, have helped small businesses hire new employees and purchase new equipment.

Deborah Sawyer, CEO of Environmental Design International—a Chicago-based civil and environmental engineering firm—says that thanks to the tax incentives she has created 13 new jobs in 2003 and 9 new jobs in 2004. She has also been able to purchase new equipment. “The tax break has allowed us to purchase 5 trucks and machinery and computer software,” says Sawyer.



Small Business Tax Roundtable at SBA's Illinois District Office
l-r: Judith Roussel (SBA Illinois District Director); Ike Hong (President, Pacific Construction Services, Inc.); Tamina O'Neil (First VP, Manager Government Lending, SBA Division, LaSalle Bank); Patrick Rea (SBA Region V Administrator); Deborah Sawyer (CEO, Environmental Design International); Deirdre Hauslaire (Strategic Alliance Federal Markets, Millennium Data Systems); Anthony Scalise (Revenue Agent, IRS)

By reducing their tax burden through increases in the expensing deduction and bonus depreciation, small businesses have been able to purchase equipment. The new tax provisions allow small businesses to expand their operations and hire new employees thus, helping to accelerate economic recovery.

“With the tremendous efforts of small businesses, new job figures and other recent indicators show that America's economy is strong and getting stronger, and that the President's Jobs and Growth plan is working,” says SBA Regional Administrator Patrick Rea, “SBA is here to assist small businesses with creating more jobs. We are the chief economic development agency for the United States”.

One hundred-twelve thousand new jobs were created in January - the largest monthly increase since December 2000 - and 366,000 jobs have been added over the last 5 months. The national unemployment rate in January of 5.6% continues the steady decline from 6.3% in June 2003 - the fastest 7-month decline in nearly a decade.

During the roundtable discussion, several local small businesses explained how they have directly benefited from the new tax laws, which have reduced taxes on America's small businesses by an average of nearly \$3,000. Ike Hong, president of Pacific Construction Services addressed how the new legislation law has enabled him to purchase new equipment for his full-service construction consulting and general contracting firm. “We have been able to purchase high tech equipment and software in order to remain competitive,” says Hong. In addition, the changes in the law have quadrupled the amount a business can deduct from its expensing of equipment purchases from \$25,000 to \$100,000.

“The local small businesses attending today's roundtable have demonstrated the *Jobs and Growth Tax Relief Act* is already helping small businesses grow,” stated SBA Illinois District Director Judith Roussel.

Representatives from the IRS, LaSalle Bank and National City Bank also attended today's roundtable discussion.