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Should Uncle Sam Do More for Small Business?

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What's in the new economic stimulus plan for small businesses?

The bipartisan package, touted by President Bush in his [State of the Union Address](#), offers some tax breaks to businesses, including:

- Doubling the amount of money that businesses can write off on their taxes for their 2008 business expenses — such as machinery, vehicles, office furniture and computers — to \$250,000 from the 2007 limit of \$125,000.
- Speeding up depreciation write-offs to up to 50% for 2008 on new property purchases. (Generally depreciation must be deducted over the life expectancy of the item purchased.)

But some critics say these breaks don't go far enough in solving the biggest problems small businesses face today.

Among the critics is George Cloutier, chairman and chief executive of American Management Services Inc., which offers turnaround services to small and midsize businesses. "This stimulus package does the minimum to 'stimulate' in the short term and helps only small-business owners who need it in the least," Mr. Cloutier says in a news release. "The vast majority of small businesses will get barely a dime from the stimulus package."

If the government really wants to help small businesses, he says, it should increase the Small Business Administration's annual budget, which has been cut considerably since 2000, and back more loans to inner-city businesses. He also suggests the government set up a toll-free number that small businesses can use to reach a live operator who directs them to government services they need.

Others say the proposed tax incentives are welcome help, but otherwise the President has all but ignored small businesses. "Several of the top concerns of small firms were particularly suspect in their absence from the President's [State of the Union] speech," said a news release from the Democrat-led [House Small Business Committee](#). "He failed to adequately broach such items as health care, energy costs and the need for affordable capital." The President spoke the words "small business" only once during the 53-minute address, according to the release.