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discouraging companies from offering gig economy workers important support, particularly when it comes to taxes. That'd according to Joseph Kennedy, senior fellow at the ...

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The traditional distinction between employees and independent contractors is discouraging companies from offering gig economy workers important support, particularly when it comes to taxes. That'd according to Joseph Kennedy, senior fellow at the [Information Technology and Innovation Foundation](#) (ITIF), a leading tech policy think tank. He says Congress should update labor law to address this.

“This centuries-old, common-law distinction is getting in the way for gig economy companies that want to support their independent contractors by providing benefits such as training, business advice, and financial planning,” Kennedy said in testimony before the U.S. House Small Business Committee.

“From help with taxes to record keeping and withholding, these types of benefits and

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1. **Adapt it.** Create a new category of worker, between full-time employee and independent contractor. While this would be an improvement on the current system, it also risks replacing two rigid categories with three rigid categories, which still may not provide an optimal fit for all work arrangements.
2. **Fix it.** Revisit each of the country's major labor laws and carefully tailor them to achieve their specific goals. This would be ideal, but it would involve a long and difficult political process.
3. **Suspend it.** Draft a carve-out to temporarily exempt gig-economy Internet platforms from ill-fitting labor laws. This would be easier to enact and would give Congress time to assess whether platform companies respond in ways that improve the welfare of gig-economy workers.

“Although Internet platforms like Uber and TaskRabbit still represent only a small fraction of the overall labor market, their rapid growth has shined a bright light on the shortcomings of current labor law,” said Kennedy. “There is a clear need for Congress to reform the country's outdated law by either adapting it, fixing it, or suspending it.”

“The labor market is rapidly evolving. Work arrangements will continue to diversify as companies respond. Congress cannot dictate the shape of future work arrangements. It can, however, play a large role in helping workers get the kind of support they need to have good careers that fit into their increasingly complicated lives,” concluded Kennedy.

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