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the nation's tax code, saying they would suffer more than large companies under a ...

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The National Retail Federation is asking the U.S. House of Representatives' tax-writing committee to consider small retailers and their employees when reforming the nation's tax code, saying they would suffer more than large companies under a proposal to create a border adjustment tax that would drive up the price of imported merchandise.

"Small retailers are probably the business group that is hardest hit by the potential impact of the BAT," NRF Senior Vice President for Government Relations David

French said. “They do not have the economies of scale to be able to reduce the higher

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French said the 20 percent BAT that would be created under the “Better Way” tax reform plan proposed by House Speaker Paul Ryan, R-Wis., and Ways and Means Committee Chairman Kevin Brady, R-Texas, would effectively move the United States toward a consumption tax structure rather than the current income tax structure.

“Our small retail members are very concerned about tax reform efforts that might shift the burden of taxation to consumption,” he said. “Increased costs to the consumer will cause sales to decline and result in a contraction in their businesses.”

Instead, Congress should reject the BAT proposal and focus on reform of the existing income tax system, he said.

“Our retail members believe that a reform of the income tax, by providing a broad base and low rates, will bring the greatest economic efficiency and simplicity to the federal tax system,” French said. “These changes will lead to greater investment, more jobs and greater economic growth.”

A recent [NRF survey](#) of small retailers found that three out of five expect a negative impact on their businesses if the BAT is enacted, and 18 percent said their businesses could fail. More than 200,000 jobs could be lost to layoffs and wages could be reduced by close to \$500 million because of reduced hours for employees. Small businesses make up 98 percent of the retail industry and provide 40 percent of its jobs.

The BAT provision would end importers’ ability to deduct the cost of merchandise purchased from other countries, resulting in higher prices for consumers. NRF estimates this could cost the average family as much as [\\$1,700 a year](#).

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