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The Honorable Roger Williams
Chairman
House Small Business Committee
2361 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Nydia Velazquez
Ranking Member
House Small Business Committee
2069 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Williams and Ranking Member Velazquez,

On behalf of NFIB, the nation's leading small business advocacy organization, I write regarding the hearing entitled, "A Voice for Small Business: How the SBA Office of Advocacy is Cutting Red Tape." NFIB represents nearly 300,000 small businesses nationwide and we appreciate the opportunity to discuss ways Congress and the Administration are reducing regulatory compliance costs and red tape for our members.

NFIB members continuously rank "unreasonable government regulation" as one of the top problems facing their businesses.¹ Yet in four years under the Biden Administration, regulatory agencies finalized an unprecedented \$1.8 trillion in new regulatory compliance costs and added 356 million in paperwork hours.² The tsunami of new regulations falls heavily on small businesses that do not have compliance officers or lawyers who can help them navigate new regulatory requirements.

Thankfully for small businesses, the Trump Administration's regulatory agenda has taken account of the disproportionate impact on small businesses, as bipartisan administrations have done in the past. In 2025, there has been a \$128.5 billion reduction in regulatory compliance costs and nearly a 51 million reduction in paperwork hours.³ This commonsense approach is a much-needed sigh of relief for small businesses who have been crushed by federal overregulation and overreach into their businesses' operations. However, without Congressional action, this relief will only be short

¹ Holly Wade & Madeline Oldstone, *Small Business Problems & Priorities*, NFIB Research Center, July 2024, <https://nfib.com/wp-content/uploads/2024/10/2024-Small-Business-Problems-Priorities.pdf>.

² Dan Goldbeck, *The Biden Regulatory Record*, American Action Forum, January 29, 2025, <https://www.americanactionforum.org/insight/the-biden-regulatory-record/>.

³ Dan Goldbeck, *Another Light Week, but with some Executive Orders*, December 19, 2025, American Action Forum, <https://www.americanactionforum.org/week-in-regulation/another-light-week-but-with-some-executive-orders/>.

term, and small businesses will suffer from the regulatory pendulum swings that make long-term planning and investments so difficult.

To its credit, Congress has stepped up to reassert its power and repeal burdensome regulations issued by the Biden Administration, enacting a record 22 *Congressional Review Act* (CRA) resolutions into law. Of these 22 resolutions, many have been directly responsible for lowering costs of energy for small businesses across the country and have repealed unworkable arbitrary mandates that drove up operating costs for small businesses. By enacting these CRAs, Congress has provided long term solutions to reduce regulatory burdens on small businesses by preventing future substantially similar burdensome regulations from being issued.

This is a good start but it's time for Congress to get serious about enacting long term fixes that will reduce regulatory compliance costs and red tape for small businesses. One way to do this is by continuing Congress' use of the CRA. Congress should identify and examine the hundreds of rules and guidance documents that were never submitted to Congress. Under the CRA, the 60-day legislative clock for expedited legislative consideration starts once a final rule is submitted to Congress. As we have seen in 2025, an unknown number of final rules were never submitted to Congress, allowing Congress to use the CRA to expeditiously repeal these regulations and lower compliance burdens and red tape for small businesses.

Further, Congress should take steps to strengthen the *Regulatory Flexibility Act* (RFA) and prevent agency circumvention of the RFA's requirements. The RFA is a law signed by President Carter and many of the proposals to strengthen the RFA have had bipartisan support for many years. Congress can start by enacting H.R. 1163, the *Prove It Act of 2025*. H.R. 1163 would provide small businesses the ability to raise concerns when regulators fail to consider both the direct and indirect costs of their regulations, allow small businesses to request the Small Business Administration's Office of Advocacy to review agencies' work and ensure agencies are fully compliant with the RFA, and if an agency fails to comply with the review process, the *Prove It Act* would exempt small businesses from the regulatory action altogether.

Under the RFA agencies are required to consider less burdensome alternatives for small businesses when it is found that a regulation will have a substantial impact on a significant number of small entities. Instead of just considering, Congress should require agencies to promulgate less burdensome regulations for small businesses. Congress could also require agencies to obtain a certification from the SBA's Office of Advocacy that new regulations meet the RFA's requirements before an agency can finalize the regulation. These simple fixes to the RFA would prevent the federal government from imposing one-size-fits-all regulations on small businesses and shield small businesses from onerous new regulatory compliance costs and red tape.

Most importantly, Congress must provide small businesses certainty regarding the Beneficial Ownership Information (BOI) reporting requirement by either repealing it altogether by enacting H.R. 425 the *Repealing Big Brother Overreach Act* or by codifying the Trump Administration's interim final rule to exempt American small businesses from the reporting requirement and destroy the BOI of US businesses that already filed with FinCEN⁴. If Congress fails to act, 32 million small businesses nationwide could be subjected to this unconstitutional, unnecessary, costly mandate again, leaving these small businesses to potentially face enormous fines and two years of federal prison time.

NFIB appreciates your leadership to reduce onerous regulatory compliance costs and red tape for small businesses. We look forward to working with you to enact long-term relief that protects small businesses from federal government overregulation and government intrusion during the 119th Congress.

Sincerely,



Dylan Rosnick
Principal, Federal Government Relations
NFIB

⁴ 31 CFR Part 1010, RIN 1506-AB49, Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension, March, 26, 2025, <https://www.federalregister.gov/documents/2025/03/26/2025-05199/beneficial-ownership-information-reporting-requirement-revision-and-deadline-extension>.