



September 9, 2011

The Honorable Kevin Brady
U.S. House of Representatives
301 Cannon House Office Building
Washington, D.C. 20515

The Honorable Mike Thompson
U.S. House of Representatives
231 Cannon House Office Building
Washington, D.C. 20515

Dear Representatives Brady and Thompson:

On behalf of the National Federation of Independent Business, the nation's leading small business advocacy organization, I am writing in support of H.R. 2466, the Small Business Efficiency Act of 2011. H.R. 2466 will improve the support Professional Employer Organizations (PEO) provide to small businesses by clarifying the current law surrounding the payment of employment taxes by PEOs.

Unlike larger businesses, many small businesses do not have an in-house human resources department. PEOs help small businesses to provide many of the services a human resources department would provide. These services include complying with federal, state, and local employment laws as well as managing retirement plans and other employee benefits. PEOs ensure that small business owners can concentrate on the core function of their business, while ensuring that the business meets its legal obligations and provides a range of benefits to its employees.

H.R. 2466 would clarify that under federal tax law the PEO is permitted to provide benefits to the workers and collect and remit federal income, FICA, and FUTA taxes to the government on behalf of these workers. PEOs provide important resources to small businesses and we believe with this clarification, our member businesses will be more likely to take advantage of the services of PEOs.

Again, thank you for introducing H.R. 2466 and we look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Susan Eckerly". The signature is fluid and cursive.

Susan Eckerly
Senior Vice President
Public Policy