

Paychex Identifies Top Three Post-Election Small Business Regulatory Issues

ROCHESTER, N.Y.--(BUSINESS WIRE)-- With the midterm election officially behind us, small business owners are taking stock of the next issues at play on the country's regulatory front. Paychex, Inc., a leading provider of payroll, human resource, insurance, and benefits outsourcing solutions for small- to medium-sized businesses, has identified the top three post-election regulatory issues that small owners should be aware of as Washington prepares to get back to business – immigration reform, tax reform, and the Marketplace Fairness Act.

"In the wake of the election, small business owners are keeping an especially close eye on the regulatory issues that are likely to gain steam in the weeks and months ahead," said [Martin Mucci](#), president and CEO at Paychex. "Paychex is tracking these topics closely to help business owners understand the potential impact."

1. [Immigration Reform](#). Due to congressional impasse on immigration this year, President Obama vowed to take executive action on the issue. It was announced in September that the president would hold on issuing any such order until after the election, but would act before the end of the year. The Obama administration has not provided specific details about the potential executive action, but it may include:

- Temporary relief from deportation for millions of undocumented immigrants by expanding the pool of family member eligible for legal status;
- Offering green cards to science degree Masters and PhD graduates who have found employment in the United States, or creating a new visa category for highly skilled immigrants who come to the U.S. to build businesses;
- Streamlining the legal immigration system to recapture unused worker visas, temporarily increase annual visa numbers, or raise or eliminate existing annual country caps; and
- Strengthening and improving the technologies and processes which secure our borders.

2. [Tax Reform](#). A lack of bipartisan agreement kept comprehensive tax reform legislation from reaching the president's desk this year, as well as more than 50 tax breaks that expired at the end of 2013, also known as tax extenders. Some tax extenders have been introduced recently on an individual basis in a way that would make them permanent, allowing businesses to more effectively plan for future development. These extenders include:

- **Bonus Depreciation**, also known as Accelerated Depreciation. Bonus Depreciation passed the House of Representatives in July and allows companies to immediately deduct half the cost of some capital equipment instead of spreading it out over a number of years.

- **America's Small Business Tax Relief Act.** Similar to Bonus Depreciation, this Act passed the House of Representatives in June and allows small businesses to expense up to \$500,000 in qualifying equipment per year, adjusted for inflation.
- The **COMPETE Act.** The COMPETE Act was introduced in the U.S. Senate in July and would make the research and development tax credit permanent. If passed, the Act would increase the credit rate to 25 percent of qualifying research investments.

3. **Marketplace Fairness Act.** The Marketplace Fairness Act (MFA), which was passed in the Senate in 2013 but stalled in the House, would mandate that businesses collect and remit sales tax made through online purchases to states in which the buyer resides, regardless of where the seller is located. States such as New York, California, Texas, and Pennsylvania have moved ahead with alternative measures by passing laws that allow for such a tax to be administered. At the federal level, Senate Democrats are linking the MFA to an extension of a widely supported law that bars local taxes on internet access, the Internet Tax Freedom Act (ITFA). The ITFA was scheduled to expire on November 1, but was extended to mid-December. If congress cannot reach agreement by the December deadline and the ITFA expires, state and local municipalities may begin to tax businesses and individual users via their internet service providers.

As the nation's leading provider of payroll and HR services for America's small businesses, Paychex monitors the political and regulatory environment surrounding issues impacting its 580,000 clients nationwide.

About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 580,000 payroll clients as of May 31, 2014. For more information about Paychex and our products, visit www.paychex.com.

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