

We Need Tax Reform & COVID-19 Relief to Ensure the Survival of Small Business

By Mileyka Burgos-Flores
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Almost a year into the COVID-19 pandemic that has changed our everyday lives, many businesses – particularly small, family-owned ones -- have been forced to close, some are hanging on by a thread, and others are doing what they can to survive this new reality.

The pandemic intensified the socioeconomic problems that were affecting our residents and businesses before the crisis started. We can't blame all of this solely on the coronavirus. We have to recognize that the current situation is the result of bad policy and mistakes piling up for years.

Disinvestment and unfair tax laws have had a profound impact on smaller, locally-owned businesses, especially mom and pop businesses. The crisis, together with these existing roadblocks to accessing capital, were a wakeup call for many business owners, who increased their demands for a fair tax code, more resources for small businesses and community development, and more technical assistance to ensure their businesses stay resilient.

Through this difficult period, the Allapattah Collaborative CDC has worked with small business owners in our area who have sustained and invested in our vulnerable communities -- many who now face displacement despite decades of sweat equity and community enrichment.

We hosted talks to inform our community and provide resources to small business owners, but also to provide a collective way forward as we continue learning how to mitigate the challenges businesses face in the COVID-19 era.

This work is critical and productive, but not enough. Other key players need to get involved. During these tough times, Florida legislators need to find the intersection where our state budget, tax reform, and COVID-19 relief for small businesses converge.

This situation is not exclusive to South Florida or Allapattah. There are some 2.5 million small businesses in the state of Florida that power job growth and economic development in our communities, supporting an estimated half of the state's economy and creating 75% of net new jobs. Actually, sixty percent of Florida's net job gains since 2012 have come from small businesses with less than 100 employees.

More than two thirds of all state spending to support economic development in the private sector goes to large companies, not small businesses, despite the fact that those large companies have far more resources than the hundreds of thousands of small businesses across the state. In fact, just 10 companies have received over 50% of state support in the past 20 years. We can do better, and our state government can do more.

While large organizations and Chambers of Commerce say they represent the interests of small businesses, in reality small businesses are still unheard and overshadowed by the influence and resources of large corporations.

Prior to this crisis, we spent several years working with the community to develop a plan to mitigate rapid displacement and improve the quality of life of long-term residents and the sustainability of our vulnerable commercial corridors. Our strategies focus on collaboration, education, and coaching to empower individuals, small businesses, and the community. We provide technical assistance and help small business owners access capital. We meet small businesses where they are and provide them with what they need to thrive.

We have done our part and it's time for our state legislators to step to the plate and do theirs. This means revamping our tax code, improving small business support, and ensuring community investment is more inclusive, equitable, and responsive to the needs of small businesses.

We truly believe that the State of Florida can do so much more to support our small businesses -- especially those with revenues under 2 million dollars -- and further investing in businesses with revenue under one million and half a million dollars. We are not asking for charity, but rather demanding the respect we have earned.

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