

Sen. Ron Johnson On Proposed Legislation's Impact on Businesses



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Ron Johnson

U.S. Senator for Wisconsin

Announcer:

Welcome to Paychex THRIVE, a Business Podcast, where you'll hear timely insights to help you navigate marketplace dynamics and propel your business forward. Here's your host, Gene Marks.

Gene Marks:

Hey, everybody. This is Gene Marks, and thanks for joining me on another episode of Paychex THRIVE. I'm here with Senator Ron Johnson, a Republican from Wisconsin. Senator Johnson, thank you so much for joining me.

Senator Ron Johnson:

Well, Gene, thanks for having me on.

Gene Marks:

Yeah, you've got a busy schedule. In preparing for this interview, there's just a mountain of stuff that you're working on that, really do impact small businesses, both in Wisconsin and around the country. So, let's go through some of these things and get your thoughts on that.

Gene Marks:

The most recent, really just happened about a week or so ago. You introduced what's called the Guidance Out of Darkness, or GOOD Act. You and 14 other Republican colleagues introduced this. You've done this before. Tell us a little bit about this act and what it's designed to do.

Senator Ron Johnson:

Sure. Well, I'm not a big fan of government. I'm just not. We need some, but it needs to be way more limited than it is. Government can have an enormous impact on our economy, on individual businesses, on people's lives.

Senator Ron Johnson:

One of the ways they have that impact, obviously is, Congress passes laws. Then the bureaucracy, the executive branch will take those laws and they'll issue regulations and rules.

Senator Ron Johnson:

One of the things they've been doing in addition to that, are issuing guidances. They issue guidances because it somewhat gets around the Administrative Procedure Act, which requires the rules and regulations to be published, and open for comment by the public before they can be implemented.

Senator Ron Johnson:

Guidance doesn't have to go through that process. We've seen an explosion in guidances to circumvent the Administrative Procedure Act. Oftentimes, the regulators, the bureaucracies, the agencies, they don't even publish the guidance.

Senator Ron Johnson:

This is a pretty simple bill. When I was chairman of the Senate Committee on Homeland Security and Governmental Affairs, it really falls under the Governmental Affairs part of that committee. We passed this, I think, a couple of times out of our committee unanimously, I believe.

Senator Ron Johnson:

Again, who could oppose this? This is just asking these agencies, "If you issue a guidance, publish the guidance. If you withdraw a guidance, make sure people realize that, that guidance is no longer enforced." It's just transparency of government -- businesses, individuals need to know what the rules are, what the laws are, what the guidances are, so they can do everything they can to comply with them, but that's part of the problem.

Senator Ron Johnson:

This is when I first came to Congress, so there were a number of studies, Small Business Administration, Competitive Enterprise Institute put the cost of complying with government regulations, back then at \$2 trillion.

Gene Marks:

Right.

Senator Ron Johnson:

It seems like everybody keeps using that \$2 trillion, but it seems like every administration adds a couple of hundred billion dollars more. I don't think, necessarily these regulations are replacing other ones. I think it's a much larger number than even the two trillion.

Senator Ron Johnson:

Think about that, Gene. Our economy isn't \$30 trillion, it's 20 some trillion-dollars large. So, the cost complying with government regulations, federal government regulations are close to 10% of our economy. That's onerous. That has a real harmful effect on our economy.

Gene Marks:

So, just to make sure that I understand how this would impact me, and my clients, and our listeners, and viewers, if an agency ... Say you're in the Ag business, and there are specific rules that come out from the Department of Agriculture, and the Department of Agriculture might have some guidance to comply with those regulations, what you're saying is, right now that guidance is not very easily found.

Gene Marks:

To make sure that you're in compliance, first of all you have to know that it exists, and then you've got to dig and ask to find where that guidance is? What this act would do, would require these agencies to publish those guidance in easily accessible public places. Did I describe that correctly?

Senator Ron Johnson:

Yeah. Quite honestly, right now, they don't even have to publish the guidances. They may have something laying on their desk, and say, "Well, here's my secret little rule here that, oh, you didn't follow this. Well, I didn't even know about it." Again, this is just about transparency in government.

Gene Marks:

Okay, I got it. I asked before we're going on the air, to not be partisan because we're just trying to give the facts to our business owners, but I got to ask only because, and I'll ask you to just answer this with tongue in cheek, but it's, 14 Republicans sponsored this. I don't understand why something like this, also wouldn't be co-sponsored by Democrats, and make this a bipartisan thing.

Gene Marks:

Keeping things in check, why would that not be? Is it just straight out politics that's just, "Because these 14 Republicans sponsored it, we're just not going to get on board," or is there opposition to something like this?

Senator Ron Johnson:

I don't believe there was in my committee when we passed it out of that with strong bipartisan support, I think, probably unanimously because when you're actually sitting around a table and discussing this in a business meeting for a committee, who would argue against it?

Senator Ron Johnson:

Once it comes to, potentially getting on the floor of the Senate, and you've got a Democrat administration, you've got Democrat members of Congress that line up around their guy, around their President, in that case, all of a sudden a Democrat president can do no wrong. So, any regulation, any rule, any guidance issued by their bureaucracy shouldn't even be questioned.

Senator Ron Johnson:

Again, it doesn't make any sense. We'll press for a real vote on this. If we would actually get this as a real vote in an open amendment process, which is rare, to ... Basically, they don't exist anymore, it'd be, I think, very difficult for Democrat senators to vote against this.

Gene Marks:

All right. Fair enough, and good answer. Okay, let's keep moving on. There were some other issues that impact small businesses that, you've got thoughts on. Back in December, you urged the Department of Labor to protect their independent contractor classification.

Gene Marks:

We are all expecting, this year ... By the way, this is a Paychex Podcast, so they're a payroll company. It's an HR-related company. So, a lot of the people that are their customers, they're impacted by worker classification rules.

Gene Marks:

We're expecting, in this year for new rulings to come out, which could really force a lot of small businesses to reclassify some of their independent contractors as employees, if they're considered to be integral to a business.

Gene Marks:

And, I know that a lot of small businesses don't want to do that. I know a lot of freelancers don't want to do that as well, but I'll throw it out to you. You were also urging The Department of Labor, not to go forward with this. Give me your thoughts on the independent contractor ruling that they're looking at doing.

Senator Ron Johnson:

This is an issue of freedom. So, if you've got somebody operating a business that says they want to be an independent contractor, they don't want to be an employee of a particular business. In other words, they're the ones voluntarily saying, "I'm not going to be under their payroll system. I'm not going to get an employer contribution, half of the payroll tax. I'll take care of my own retirement," let that individual operate as an independent contractor, again within certain rules.

Senator Ron Johnson:

I mean, some people are, obviously employees. So, if the employer doesn't want to recognize an individual as an employee, the actual individual business, the independent contractor doesn't want to be recognized, let them proceed that way.

Senator Ron Johnson:

Again, all this is, is a way to increase tax revenue. It's a way to impose more government regulations on what should be an arm's length transaction between one business and another. Again, it's just antithetical to freedom.

Gene Marks:

If that ruling does happen, which we're all expecting it to happen, is there anything, really that Congress can do about it, or will it just have to go to the courts?

Senator Ron Johnson:

Well, we can certainly pass a Congressional Review Act, and we may be able to get that passed in the Senate and in the house, but we just did that under the old ESG rule as well, and President Biden vetoed it. I doubt we'd be able to pass Congressional View Act disapproval resolution of that regulation with veto proof majority.

Senator Ron Johnson:

If he insists on promulgating that, and implementing that regulation, it'll be implemented, but the next administration, you'd overturn it.

Gene Marks:

Yeah, yeah. That is true. Okay, let's move on, the IRS commissioner. There is a new commissioner that's up to be qualified. His name is Daniel Werfel, and you are not a fan. Tell us why that, you would be voting against this new IRS commissioner.

Senator Ron Johnson:

Well, first of all, it was nothing personal. I think Danny Werfel comes from the private sector. Certainly, in my private meeting as well as in the hearings, we talked about the imperative for the IRS to upgrade its IT, its computer systems.

Gene Marks:

Yeah.

Senator Ron Johnson:

I think he might be pretty capable of doing that. My vote, my no vote was really just a no confidence vote in terms of what this administration wants to do with the IRS, dramatically increase audits.

Senator Ron Johnson:

Again, they'll say, "Only on the wealthy." I mean, there aren't that many wealthy people here. What they're contemplating, the \$80 billion in additional funding, the 87,000 new IRS agents, which I realize, some of

those are replacing retirees and that type of thing, but again, the focus is on far greater enforcement, far greater to audits.

Senator Ron Johnson:

I'm just opposed to that. What we ought to be doing, I told them in the hearings, "We ought to be simplifying and rationalizing our tax system, so it's easier to comply with. Lower the rates, get rid of all the loopholes."

Senator Ron Johnson:

Again, I hate to socially or economically engineer the tax code. Our tax code should be there to raise the revenue government needs, and do no further harm. All these tax credits for this, that, and the other thing, maybe all sounds wonderful, but there are always unintended consequences. One things we were talking about was the Low-Income Housing Tax Credit.

Gene Marks:

Right.

Senator Ron Johnson:

In Milwaukee, they've got a program called the Acts Program. It's A-C-T-S. It was started by a Catholic priest, and they had the opportunity to purchase these houses that were in foreclosure, well-built homes back in the '20s and '30s. They were able to buy them for a couple of thousand dollars working with private banks. They made loans of 15 to 30 thousand dollars.

Senator Ron Johnson:

With sweat equity, people could buy those homes, improve them with those home improvement loans, and turn their, let's say \$800 rental payment into a \$300 mortgage payment, dramatically decrease their housing costs.

Senator Ron Johnson:

But what ended up happening is, the Low Income Housing Tax Credit given to developers, all of a sudden there is a great deal of demand on the part of developers. They drove up the price of those houses, and it made it much more difficult for that very common sense program to work.

Senator Ron Johnson:

Again, I understand the need for low income housing. So, it all sounds good to have this Low Income Housing Tax Credit, but Congress doesn't look in the rear-view mirror very often. It doesn't take a look at the harm its well-intentioned laws do.

Gene Marks:

You know, I'm not sure if you're aware of this, but I am a Certified Public Accountant, and the complexity in the tax code for myself and my colleagues to deal with, it turns us into form fillers and less as advisors.

Gene Marks:

The easier it is to comply with the rules, or the easier the rules are, the more value-add that we can be to our clients, but we spend a lot of time really doing paperwork than anything else.

Senator Ron Johnson:

In the hearing, and I got fact-checked on this. Kind of, off the top of my head. I hadn't seen these studies or reports for a number of years, but I just remembered reading about a study, where they would send the same tax information to 10 different tax CPAs and they would get 10 different answers.

Gene Marks:

Different answers. Yeah.

Senator Ron Johnson:

Okay? Then I got fact-checked on that. Yeah, okay. I read it quite a few years ago. I'm not sure whether my comms team ever sent that back in, but it's just true. I mean, the tax code is so complex.

Senator Ron Johnson:

The answer the IRS derives is different than individual tax experts can derive. Of course, individual taxpayers, they don't have a chance.

Senator Ron Johnson:

I'm not a CPA, but I'm an accountant. My wife was an IRS agent. We don't do our own taxes. We couldn't even begin to do our own taxes. It would be impossible because we have different types of assets. We've been an LLC in a subchapter asset, and it becomes so complex, so fast. I mean, you got to rely on tax experts, but those tax experts are really, they're at the whims of the IRS as well.

Gene Marks:

Agreed. Agreed. One final thing on tax is, you also spoke, back in February about the IRS Accountability Act, which, it was an act that you introduced with, again, some Republican allies of yours.

Gene Marks:

I guess, this gets back to what we were just talking about before that. If the IRS is going to be getting 80 some billion dollars to spend, the idea is that there's got to be some measure of accounting for how they're spending their money. Correct?

Senator Ron Johnson:

Yeah. Accountability, transparency. I mean, people have come up for Senate confirmation. Always come before committees, and they're often asked the question under oath, "Will you agree to comply with Congressional oversight?" They all raise their hands and say, "Absolutely," and then they don't.

Gene Marks:

Yeah.

Senator Ron Johnson:

There's two ways for the American public to obtain transparency in government. One is through the Freedom of Information Act. You shouldn't have to sue agencies to get the documents, but oftentimes it requires a court order, and then through congressional oversight.

Senator Ron Johnson:

Over the decades, the administration has realized that there's very little enforcement power for that. They can turn over documents. I just was with Secretary Becerra, the HHS secretary today. I showed him the last 50 pages that was released under FOIA that, they're showing us these things in camera. We can't take copies, we can take notes.

Senator Ron Johnson:

Out of 400 pages, they've allowed us to review 350. We're down to the last 50, and I just thumbed through the remaining 50 pages, completely blacked out. There's not much transparency in government. I wouldn't expect the IRS to be any more transparent than any of these other agencies.

Senator Ron Johnson:

They've all learned that we just don't have very strong enforcement powers. It, literally requires public pressure.

Gene Marks:

All right. I know we're short on time and I got two more questions I want to just, or two more issues I just want to get your thoughts on, as well. You also introduced what's called the Prevent Government Shutdowns Act. This was back in January. No one's talking about it now because as we're recording this, people are talking about interest rates, and obviously Ukraine, and other issues going on.

Gene Marks:

We're heading towards a government shutdown sometime mid-year. This act is designed to prevent that from happening. Tell us a little bit more about it.

Senator Ron Johnson:

Sure. It's very common sense. As Chairman of Homeland Security, I got to select which bill I was going to try and pass to our committee. I selected James Lankford, Maggie Hassan's bipartisan bill. Plus, it does exactly what Wisconsin law does.

Senator Ron Johnson:

If there's such dysfunction that, you don't pass an appropriation for, either a department or for the entire government, you don't shut that department or government down. You just spend at last year's level. I mean, how more common sense can that be?

Senator Ron Johnson:

I passed that a number of times with strong bipartisan support out of our committee. It never got a legitimate vote on the floor of the Senate because for some reason, appropriators don't like it. It's, kind of an automatic CR. CRs are not good. It's a horrible way to fund government, but that's how we do it all the time.

Senator Ron Johnson:

We don't bring up individual appropriation bills. We don't go through that debate. We don't offer amendments. We wait till the end of the fiscal year. Then we start doing continuing resolutions for three or four months until you've got some kind of deadline, like Christmas Eve, where all of a sudden you get a couple of thousand-page bill dumped on all our desks, and you just had to vote yes or no within a couple of hours.

Senator Ron Johnson:

So, the dysfunction here is profound. That Bill, the Preventing Government Shutdown Act is meant to restore some function, some rationality. Again, it'd eliminate government shutdowns. We'd never have another one. It's just an automatic continuing resolution, basically.

Senator Ron Johnson:

Another really good act would be The No Default Act, or what's also termed the full faith and credit. Never default on our debt. By the way, we never would. Constitutionally, we can't. We have more than enough revenue coming in to service our debt and pay for social security and Medicare, and most of government.

Senator Ron Johnson:

Last year, \$4.9 trillion worth of revenue. Prior to the pandemic, the federal government spent 4.4 trillion. Obviously, we went on a spending spree, just wasted trillions of dollars during the pandemic, but it's over. So, why don't we return to some kind of baseline? Had we done that?

Senator Ron Johnson:

If we've just grown 2019 spending by inflation and the rate of population growth, last year we would've spent \$5.1 trillion compared to \$4.9 trillion of revenue. That's how tantalizingly close we were to a bounced budget if we had some fiscal and spending discipline, but we have none.

Senator Ron Johnson:

Instead, president Biden is proposing spending \$6.9 trillion next year. We'll spend about \$6.3 trillion this year, again, compared to 4.4 trillion prior to the pandemic. It makes no sense.

Senator Ron Johnson:

One thing I love, Rick Scott compared that to population growth. Our population since 2019 has grown, depending on how you look at it, 1.8 to 2.5%. Spending is being proposed to increase 55%. Now again, from the private sector, you would never consider doing that in a private company. Your managers will be crawling all over you. Your bosses will be crawling all over you.

Senator Ron Johnson:

If your customer base went up 2%, and you were saying you're going to spend another 55%, it is absurd in the private sector. It should be absurd in government, but unfortunately it's business as usual, here in government.

Gene Marks:

What concerns my clients the most, I know a lot of our listeners and readers, Senator Johnson, is that with all of the significant spending, which increases our national debt so much, which increases the amount of interest that has to be paid on the national debt. With interest rates rising, interest payments go up even further, and it's got to come from somewhere.

Gene Marks:

Where that's going to come from has to be ... You're not going to ... Government isn't going to cut spending, and government's not going to raise taxes, or at least not try to. If they can't do either one of those two things, it's got to come from pretty more money, which creates more inflation, which is a huge, huge problem for people that are in the private sector. I'm curious what you think about that. I mean, where can it end?

Senator Ron Johnson:

Well, it is going to end with, probably a debt crisis. A dollar you held at the start of the Biden administration, today is worth 87 cents. That's the devastation of inflation caused, or I mean, inflation caused by massive deficit spending. The Warren fossil fuel, the supply chain disruptions because of the pandemic. Those are the three main causes.

Gene Marks:

Right.

Senator Ron Johnson:

I mean, it's devastating, but you said tax increases. Taxes are going to automatically increase on 95% of American businesses. I'm the guy that said no. I took all the ridicule, all the vilification back in the 2017 tax reform when Republicans, all we were going to do was cut the corporate rate to 20%.

Senator Ron Johnson:

Unfortunately, a lot of my colleagues who never participated in the private sector didn't realize that, that 20% tax rate for business only covered the C corps, only was for 5% of the businesses. I'm the guy that noticed it and started screaming about it. Dug in my heels, would not agree to vote yes, and they needed my vote.

Senator Ron Johnson:

As a result, in the end we got a tax cut for the other 95% of American businesses. The pass was the subchapter S LLCs. The problem is, in order to get that, we had to go from 20% to 21%. Now, what we should have done is we should have gone up to 22% and made that permanent.

Gene Marks:

Permanent. Yeah.

Senator Ron Johnson:

But they wouldn't do that. I can't explain why. I dug my heels in, and then the powers to be, they did the deal, and it's pretty much a fait accompli. Now that's going to expire in 2026.

Senator Ron Johnson:

Again, all we would've had to do is increase the corp rate to 22%. By the way, the whole point of tax reform was, lower the rate and get rid of all the special deductions. Right?

Gene Marks:

Right.

Senator Ron Johnson:

We didn't get rid of very many deductions.

Gene Marks:

No.

Senator Ron Johnson:

So, the effective rate for corporations is way below the OECD average right now. We didn't have to go to 21%. 22% would've been just fine. Would've made this completely competitive, and we could have made all those tax cuts permanent, but we didn't do it.

Senator Ron Johnson:

Again, here I'm being highly critical of Republican tax reform. I was not a fan. We had an opportunity to rationalize and simplify our tax code. We didn't do it. It's unfortunate.

Senator Ron Johnson:

So now, here we are with a Democrat administration, a Democrat Senate. They're just going to want to increase taxes on the wealthy, and they can do it automatically.

Gene Marks:

Senator Johnson, you're going to get your chance to debate that again in 2025, assuming that you don't retire, and go and play golf somewhere.

Senator Ron Johnson:

I got a six-year sentence here.

Gene Marks:

Fair enough.

Senator Ron Johnson:

I got reelected. Quite honestly, I gave up my seniority and my membership on the Senate Foreign Relations Committee to be on Senate Finance-

Gene Marks:

Good.

Senator Ron Johnson:

... for this moment, for the fact that ... Because I wasn't in Senate Finance, so I wasn't ... Other than, by saying no, I made myself a part of that, and made sure that 95% of American businesses got fair treatment.

Senator Ron Johnson:

This time, I wanted to be in Senate Finance, as we started discussing this in terms of, how do we handle this automatic tax hike? We can't allow 95% of American businesses to be put at a distinct, I mean, a distinct competitive disadvantage.

Senator Ron Johnson:

I think it's something like a 28% rate differential, if it goes back to what it was. That's what it was, back ... I think it was 28%. That's a massive change.

Senator Ron Johnson:

By the way, what'll happen is, those pass-through businesses will convert to C corp status, and so we will really lose a lot of revenue then.

Gene Marks:

Yep. I agree.

Senator Ron Johnson:

That's because right now the pass-throughs are paying a higher tax rate, about seven or 8% higher than C corps. So, kiss that goodbye.

Gene Marks:

Yeah.

Senator Ron Johnson:

But that's not the way any ... Not the CBO, Joint Committee on Taxation, nobody scores reality that way. They don't score what's actually going to happen. They scored based on a denying reality.

Gene Marks:

Well, you got plenty of work to do. You need to get to work on that research and development tax deduction. We got to make sure that gets deducted all in that one year instead of amortized. You got to get to work on-

Senator Ron Johnson:

So, let me point that out as well.

Gene Marks:

Because that's another issue my clients are talking about.

Senator Ron Johnson:

We do once-in-a-lifetime tax reform. Right?

Gene Marks:

Yeah.

Senator Ron Johnson:

Then the next piece of must pass legislation we took up? The tax extender package.

Gene Marks:

Right. Of course.

Senator Ron Johnson:

That just shows the dysfunction and corruption. Right?

Gene Marks:

Yeah. Yeah.

Senator Ron Johnson:

It's because the R&D tax, everybody's got to keep coming to Washington D.C. every year and begging for it, right?

Gene Marks:

Yeah. It's like, make it permanent.

Senator Ron Johnson:

Yeah. I'm not a fan of this place.

Gene Marks:

Make it permanent already. The same thing with the bonus depreciation thing as well. That's starting to decline, so make it permanent. Well, then let people ... It creates so much uncertainty otherwise.

Senator Ron Johnson:

Here's my plan. I'll run this one by you. This got written up by the Wall Street Journal. I actually had Tim Kaine and Angus King speak favorably about it, and write an article about it. I called it a true Warren Buffet tax.

Senator Ron Johnson:

What I would do in a perfect world, if I was king, and I'm not, I would make every business a pass-through entity. I would tax all business income at the ownership level. Completely level playing field.

Gene Marks:

That is a fascinating-

Senator Ron Johnson:

By the way, I would do it based on cash income. You're a CPA. I always thought, when I took my tax courses that a tax principle was wherewithal to pay.

Gene Marks:

Sure.

Senator Ron Johnson:

Cash income is wherewithal to pay.

Gene Marks:

100%.

Senator Ron Johnson:

You can't tax unrealizable gains. I mean, you can, but it's grotesquely unfair.

Gene Marks:

Right, and unconstitutional.

Senator Ron Johnson:

Convert it to cash income, then you don't have to worry about depreciation. I mean, if you spend money on assets, that's cash out the door.

Gene Marks:

Yeah.

Senator Ron Johnson:

Okay? Now-

Gene Marks:

That makes-

Senator Ron Johnson:

... again, it all works out in the end.

Gene Marks:

But converting a C corp like Amazon with tens of thousands of shareholders and then just taxing on their percentage share of the company, they would get the share of that income would then-

Senator Ron Johnson:

It's very easy to do. I've talked to the shareholder servicing companies. They say, "Senator, we do things far more complex than that."

Gene Marks:

Fair enough.

Senator Ron Johnson:

What you do is you do a backup the holding.

Gene Marks:

Yeah. Yeah, yeah, yeah.

Senator Ron Johnson:

You assess the income, send out something like a W-2 or a K-1 saying, "Here's your share of income. Here's the, let's say 25% that's been withheld." If you're a little old lady in Oshkosh, you have a 10% tax rate with that notice, you can then claim a refund.

Senator Ron Johnson:

Now, if you're Warren Buffet, you'll be putting a lot of pressure on corporations to pay out dividends so you can pay off your tax. That's what happens in the pass-through world. Right? The companies, the pass-through companies have to issue a dividend to the shareholders. Again, it's a tax-free dividend.

Gene Marks:

Yeah, it's a distribution. Right.

Senator Ron Johnson:

Yeah, it's a distribution.

Gene Marks:

Right.

Senator Ron Johnson:

It would work. I mean, I talked to Warren Buffet about this. He put me in touch with his shareholder services company. We talked it through with the representatives from the Joint Task Committee. This is entirely doable. I know it's paradigm-shifting-

Gene Marks:

I love it. I love it.

Senator Ron Johnson:

... positive aspects to this plan.

Gene Marks:

Again, I apologize because I know we're hit up on your time, but it is a really good plan. It's something that should be discussed, but how realistic is this? I mean, here you are proposing this. You've got people that are behind it at the highest of levels, but do you see that actually happening? Is that something that you would spend your time on, that kind of a paradigm shift, or is it-

Senator Ron Johnson:

I am spending my time on it. I've hired a crack tax guy, worked for the IRS in the pass-through. He's about ready to join our staff. I'm going to have him start working on all the complications here. I socialized this in 2017, got some liberal economists in charge of it.

Senator Ron Johnson:

I mean, Senator Wyden wants to tax unrealizable gains. Well, this basically does the same thing in the normal course of business. It doesn't allow business income to be retained by these companies, completely destroyed the M&A market, by the way. As you have all this cash trapped in these C corps, it just gets taxed and reallocated more efficiently through the economy.

Senator Ron Johnson:

There's so many benefits to doing this. Now, I realize it's a paradigm shift. People have to wrap their heads around it, but there's so many positive aspects to this.

Senator Ron Johnson:

Again, it accomplishes what Chairman Wyden wants to do. Not the way he's contemplating it, but I'm talking to him about it. I'm talking about it to ranking member, Crapo about this. I'm pushing forward with this.

Senator Ron Johnson:

Again, I talked to Warren Buffet. I don't think he ever complained about me calling it a true Warren Buffet tax. I'll keep working on it. That's how you got to do these things. Never say never. I'm not going to admit defeat.

Gene Marks:

No. Of course, not. Keep us posted on that. You've got a few years before this is really going to come to a head. I don't know, we'll be watching. Hey, Senator Ron Johnson, thank you so much for joining me. It's been a great conversation. Senator Ron Johnson is a Republican senator from Wisconsin.

Gene Marks:

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Gene Marks:

Paychex can help manage those complexities while you focus on all the ways you want your business to thrive. I'm your host, Gene Marks, and thanks for joining us. Till next time, take care.

Speaker 1:

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