



Balboa Capital Survey: Half of Small Business Owners Aren't Familiar with the Tax Cuts and Jobs Act, but 7 in 10 Plan to Invest in Their Companies in 2018

The Tax Cuts and Jobs Act contains a number of favorable tax breaks that many small business owners aren't fully aware of. However, SBOs are feeling optimistic and have plans to invest in their companies in 2018.

COSTA MESA, CA, January 30, 2018 - Balboa Capital, a leading small business loan provider and equipment leasing company, today announced the results of its latest survey that was conducted to gauge small business owners' familiarity with the Tax Cuts and Jobs Act (H.R.1) that was signed into law on December 22, 2017. The survey results show that half of small business owners are not aware of this tax reform, or how it might impact their companies. The survey also reveals that 7 in 10 business owners have investment plans in 2018. The survey was sent to a sample of small business owners in a variety of industries nationwide in January 2018.

"Staying up-to-date with the ever-changing tax laws can be challenging for small business owners," said Carla Freberg, Vendor Services Manager at Balboa Capital. "The results of our latest survey show that small business owners have different levels of awareness of the latest tax overhaul. That said, the overall outlook for 2018 is positive, and many small business owners believe the lower tax rates, and higher Section 179 deduction limit, will enable them to invest in their companies with greater confidence."

Key findings of Balboa Capital's Tax Cuts and Jobs Act survey:

- 50% of SBOs are "not familiar" with the Tax Cuts and Jobs Act; 39% are "somewhat familiar," and 11% are "very familiar."
- One in three SBOs think the new pass-through tax deduction provision will result in a lower corporate tax rate. Only 2% of SBOs think they will have a higher tax rate.
- 7 in 10 SBOs plan to invest in their companies in 2018.
- SBOs who have a lower corporate tax rate in 2018 have diverse investment plans. 43% will buy or lease new business equipment, vehicles, or technology; 34% will expand their operations; and 20% will increase their marketing budgets.
- 22% of SBOs who pay less corporate taxes in 2018 will give their employees a pay increase.
- 72% of SBOs were not aware that the Section 179 tax deduction increased from \$500,000 to \$1 million in 2018.
- 3 in 4 SBOs were not aware that the Section 179 first-year bonus depreciation amount increased to 100% in 2018.
- Business vehicles topped the list of equipment that SBOs want to purchase or lease in early 2018, followed by machinery, business computers, office equipment, heavy equipment, printing equipment, office furniture, and off-the-shelf software.

- 4 in 10 SBOs will reduce their spending on business entertainment in 2018.
- When asked how they will gain a better understanding of the Tax Cuts and Jobs Act, 77% of SBOs said they will talk to an accountant or tax specialist, 19% will conduct research online, and 4% will talk to their peers and/or business associates.

“The lower corporate tax rate and increased expensing limits and tax credits are presenting many small business owners with a great opportunity to invest in their companies. Balboa Capital is here to support them with our portfolio of quick, hassle-free financing solutions,” added Ms. Freberg.

About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing, and franchise financing. Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. To learn more, visit <http://www.balboacapital.com>.