



BIDEN
VS.
TRUMP
ON FRANCHISE
ISSUES



With the election just around the corner, IFA summarized stances on the most important franchise business-related policies at the Presidential level.

BIDEN'S STANCE

ISSUE

TRUMP'S STANCE

In 2014, the Obama/Biden National Labor Relations Board (NLRB) created an expanded joint employer standard. This [threatened](#) classifying locally-owned franchisees as joint employers with their franchisor, creating employment law and unionization peril for over [700,000 franchise small businesses](#).

Biden supports the expanded joint employer standard, and his [official platform](#) includes codifying it into law via passage of the Protecting the Right to Organize or [PRO Act](#).

Biden's [labor policy platform](#) affirms his support for federalizing components of AB 5 into law, including its franchise-harmful ABC test.

**JOINT EMPLOYER/
AB 5**

The Trump Administration has made [joint employer](#) one of its chief deregulatory pursuits since taking office.

Additionally, the official [Statement of Administration Policy](#) opposing the PRO Act lists AB 5's threat to the franchise sector.

The Biden for President [campaign platform](#) supports additional relief for small businesses in the wake of COVID-19. Biden has proposed extension of the Paycheck Protection Program (PPP), but he has also suggested reforming the program and requiring 50% of new PPP funds to be [reserved](#) for small businesses with 50 employees or less.

COVID-19 RELIEF

President Trump has [expressed support](#) for additional COVID relief measures for small businesses such as extension of the Paycheck Protection Program (PPP) and liability shields for businesses.

President Trump on March 27, 2020 signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." This historic, \$2.2 trillion legislation created the Paycheck Protection Program (PPP), from which 96% of franchise owners reported receiving aid.

The Biden for President [campaign platform](#) includes a continuation of opportunity zones but also poses several reforms to the policy requiring increased disclosure and requirements for investment.

Biden has called for a "[Small Business Opportunity Plan](#)" to spur public and private investment in small businesses, with a particular emphasis on promoting minority entrepreneurship.

**ENTREPRENEURSHIP
& EMPLOYEE
DEVELOPMENT**

The President has proposed expanding [opportunity zones](#) further which could benefit minority entrepreneurship.

Biden has called for a partial repeal of the Tax Cuts and Jobs Act (TCJA), removing the income and payroll tax reductions of [taxpayers with annual incomes above \\$400,000](#). Currently, the tax reductions in the TCJA save the franchise community an estimated [\\$2.5 billion annually](#) and allow small businesses to enjoy equally competitive tax rates as their larger corporate cohorts.

TAXES

Biden has also proposed [changes to the tax code](#), including increasing the corporate income tax rate from 21% to 28%, imposing a 12.4% social security payroll tax for wages above \$400,000, and proposing a tax credit for small businesses adopting workplace retirement savings plans.

President Trump signed the Tax Cuts and Jobs Act (TCJA) during his first term, [which saves the franchise sector approximately \\$8 billion per year](#).

Although light on detail, President Trump's outline for a second term does include [several tax proposals](#), including expanding existing tax breaks, creating tax credits such as a "[Made in America](#)" credit, and additional unspecified cuts.

This information should not be considered an endorsement of either candidate. Since its founding in 1960 and throughout its sixty-year history, IFA has not endorsed a presidential candidate. As an association, we are committed to protecting, promoting, and enhancing the franchise business model. We will continue to work with elected officials, representatives, and organizations across all sides of the political spectrum to pursue these goals and the advancement of our members.