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.

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.

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.

Biden has called for a continuation of opportunity zones but also poses several reforms to the policy requiring increased disclosure and requirements for investment.

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.

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.