



June 5, 2008

The Honorable John McHugh
U.S. House of Representatives
2366 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative McHugh:

On behalf of the **National Association for the Self-Employed (NASE)** and our 250,000 member businesses, I am pleased to announce our support for the Home Office Deduction Simplification Act of 2008 (**H.R. 6214**). We feel that this important legislation will greatly assist in simplifying tax preparation for our nation's home-based entrepreneurs and facilitate their use of the home office deduction, a critical tax benefit.

Home-based businesses are a vital segment of our nation's economy. According to research commissioned by the SBA Office of Advocacy, home-based businesses represent 52 percent of all firms and provide 10 percent of the total revenue of the economy. With over 50% of the NASE's membership operating their business out of their home, the concerns our members have voiced about the home office deduction are familiar and valid: The forms and instructions are too complicated. The paperwork requires too much recordkeeping and takes too much time to complete. In addition, members expressed a substantial fear that claiming the deduction will trigger an IRS audit. All of these obstacles cause many home-based business owners, who qualify, to avoid the deduction altogether.

The creation of a \$1,500 standard home office deduction option as proposed in the Home Office Deduction Simplification Act of 2008 would address all of these barriers to utilizing the home office deduction. In fact, we found in a May 2008 online poll that over 60% of those home-based businesses who were not currently employing the home office deduction would do so if they were offered a standard deduction option.

The NASE believes that home-based entrepreneurs have been the foundation of innovation in our nation and have spawned many of our country's greatest enterprises. Legislation, such as the Home Office Deduction Simplification Act of 2008 (H.R. 6214), which supports and helps these micro-businesses to do what they do best -- create jobs and economic growth -- should be the utmost priority of our nations' legislators.

We are looking forward to working with you and your staff to gain passage of this bill. If you have any questions or comments, please contact me via phone at 202-466-2100 or e-mail at kdarien@nase.org.

Thank you for all your work on these important issues facing the self-employed and micro-business community.

Sincerely,

A handwritten signature in cursive script that reads "Kristie Darien". The ink is dark and the signature is fluid and legible.

Kristie Darien
NASE Executive Director