

## Fairfax County Small Business Commission

### Small Business News

By: Koorosh Cyrus Sobhani, Chairman

Dranesville District

September 2013 Newsletter

#### Small Business Owners Not Embracing “Crowdfunding”

Even with signs of an improving economy, small business owners still feel that receiving funding is one of the major obstacles in their path to success. “According to small-business insurance provider Hiscox’s latest DNA of an Entrepreneur report 95% of respondents ages 30 to 39 say getting funding for a new business isn’t easy – an increase of 33 points since 2011.”

Despite these sentiments, many small business owners are not ready to explore alternative funding methods. One such alternative funding method is called “Crowdfunding”. “Crowdfunding” is a method of raising capital where individuals invest and pool their money, usually via the internet using a dedicated “crowdfunding” platform. In turn the investors are entitled to a share of the profits.

A majority of small business owners report that they would not turn to “crowdfunding” to bring revenue into their business. These business owners seemingly would prefer more traditional methods of raising funds, such as loans, stock sales, or bonds. However, it should be noted that approximately one third of the businesses surveyed in the Hiscox study were involved in business and professional services, industries that are less conducive to using “crowdfunding” as a source of capital. Crowdfunding may be more attractive to small business owners in “less traditional” industries.

<http://smallbusiness.foxbusiness.com/entrepreneurs/2013/09/12/majority-small-businesses-say-no-to-crowdfunding/#ixzz2emsACQXw>

#### New Virginia Tax Law Goes Into Effect

On September 1, 2013, a new Virginia law went into effect that requires certain online retailers to collect Virginia sales and use taxes. The primary businesses affected by this law are remote retailers with distribution centers, offices and other types

of physical presence in the Commonwealth. The purpose of the law is to collect state taxes from large retailers who operate in Virginia but currently avoid paying state taxes.

The United State Congress has attempted to pass a similar law, the Marketplace Fairness Act, that would have a national impact (See June 2013 Newsletter). At the present time that bill has yet to gain approval of the House of Representatives.

This law is intended to help level the playing field by requiring large, out of state businesses to pay the same taxes as Virginia based businesses.

<http://about.bloomberglaw.com/law-reports/virginia-law-requiring-tax-collection-by-online-retailers-takes-effect-sept-1/>

#### Senator Warner Promotes Economic Growth through Small Business

Speaking at a Small Business Symposium, Senator Mark Warner (D-VA) spoke of the need to promote small business. Noting that 85% of the new jobs created in the last 30 years were created by start-ups, Warner emphasized a need to make business assistance programs less complicated. Warner stated that “we have to make it easier for people to access [these programs] and get the application process done in the most efficient and effective way.”

Mr. Warner also spoke of the need to attract talent through immigration reform as a way to help small business growth. Noting that other nations, including Australia and the United Kingdom have passed new laws enticing college graduates to immigrate there, Warner remarked that “we need to change our immigration laws to allow educated people from other countries to stay once we’ve trained them in our schools.”

<http://fredericksburg.patch.com/groups/politics-and-elections/p/sen-warner-in-fredericksburg>

**Disclaimer:** The applicability and duration of these Acts, regulations and laws are subject to change, and may vary depending residential district. Please consult your legal representatives or local rules for the validity of these laws as set forth.

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## **VENDOR FORUM 2013**

**Fairfax County's Annual Reverse Trade Show**

**Thursday, September, 26 2013**  
**8:00am-1:00pm**

**Fairfax County Government Center**  
**12000 Government Center Parkway, Fairfax, Virginia 22035-0001**

**FREE ADMISSION**  
**REGISTRATION REQUIRED**

For Registration and details visit: <http://www.fairfaxcounty.gov/dpsm/vendorforum>

Presented by the Fairfax County Small Business Commission

Expert Panelists and Presenters Answer Questions on the Following Topics:

- **Doing Business with Fairfax County**—Current and Future Processes
- **The Affordable Care Act**—What it means for small business
- **Small Business Finance**—Lending climate, alternate funding

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