



680 S. Davis Blvd
Bountiful UT 84010

T (801) 979-3116
andrew@adaptogenix.net

www.andrewrinehart.us

September 11, 2011

President Barack Obama
1600 Pennsylvania Avenue NW
Washington DC, 20550

President Obama,

I listened to your Sept 8th proposal on creating jobs in America and stimulating the economy. I believe that you are mistaken in believing that you must spend between \$300 billion and \$447 billion to create jobs. You stated that your plan would be 100% paid for but I'm certain that will not be the end result. Someone will end up paying and that burden will likely end up on the shoulders of people like me, entrepreneurs and business owners.

Your views are vague, macro minded and leave out critical details. The results of your jobs plan will be the same as those generated by your bailout plan: almost none.

Our country's problems are complex, but there is one certain way to create a true, viable and short and long-term positive effect on the economy, and *that is by rewarding entrepreneurs.*

As an entrepreneur still in my 20's, and a current and former CEO of several multimillion dollar companies, I've not only created thousands of jobs, but I've created tens of thousands of first time entrepreneurs as well. In my current venture, I've helped over 117,000 people start their own businesses. I've paid these entrepreneurs millions of dollars in just the last several months. *This* is the truest form of "job creation." *This* is the best way to "boost the economy." *This country needs more entrepreneurs.* The more incentives, tax breaks and assistance government gives to entrepreneurs, the more jobs it will create. Reward entrepreneurs, and the benefits will be felt by *millions* of people across the country.

Most entrepreneurs agree that a payroll tax cut plays little or no role in hiring decisions. We need serious incentives. Why would I hire more employees that may not be needed just to save two or three percent in payroll taxes? I'm better off having never hired at all. California is an example. In February 2009, the California Legislature created a state income tax credit for small businesses that was intended to stimulate hiring. The credit was up to \$3,000 per new hire. The state made \$400 million in tax credits available on a first-

President Barack Obama
September 13, 2011
Page Two

come first-served basis and initially thought that the credits would run out by the middle of 2009. Today, more than 2 1/2 years later, only \$61.4 million in credits have been claimed. California state government found out that most companies small enough to qualify for the credit program didn't have enough business to expand their workforce. Let us learn from mistakes like this.

The national economy will be stimulated and jobs will be created only if businesses grow, have more revenue, are taxed less and have more bottom line profit. *This is where the focus of Washington should be.*

I'd like to propose five changes in national policy that would immediately stimulate the economy, incentivize more Americans to become entrepreneurs and in turn, create more jobs.

- Eliminate capital gains taxes immediately.
- Repeal the overly burdensome and anti-entrepreneurial Sarbanes-Oxley Act of 2002.
- Create a tax credit incentive for startup companies once they attain \$100,000 in annual revenue and hire five full time employees.
- Create a tax credit incentive of \$100,000 per year for any business generating at least \$5 million in yearly revenue with at least twenty full time employees.
- Increase the focus on entrepreneurship in the education system.

In the United States, we spend \$300 billion a month with only \$170 billion in revenue. This is the equivalent of a family making \$50,000 in yearly income, yet spending \$90,000. This is not sustainable.

My suggestions above would reduce the government's tax revenues, but would also create more jobs, more revenue and eventually increase tax revenues both federally and on the state level. This is the end result we all want and the result that our country desperately needs.

I'd welcome the opportunity to sit down with you and discuss job creation from an entrepreneurs stand point.

President Barack Obama
September 13, 2011
Page Three

Thank you for your dedication to this great country.

Sincerely,

Andrew Rinehart
andrew@adaptogenix.net