

## What new laws implemented in 2023 will hurt businesses, specifically small businesses and entrepreneurs?

Here's a look at some of the most impactful changes and how they could affect your business:

### 1. Worker Classification

**What's Happening:** The U.S. Department of Labor (DOL) proposed a rule on classifying workers as employees or independent contractors for purposes of the Fair Labor Standards Act (FLSA). This could affect millions of small businesses and independent contractors.

**Expected Impact:** The proposed rule would use economic reality factors to classify a worker, potentially leading to reclassification and increased costs for businesses.

### 2. Wage and Hour Regulations

**What's Happening:** The DOL is expected to propose a new rule that would significantly increase the salary threshold for exempt employees, making more workers eligible for minimum wage and overtime rules.

**Expected Impact:** If implemented, this change could increase labor costs for businesses, particularly those with lower-wage employees.

### 3. Joint Employer Rule

**What's Happening:** The National Labor Relations Board (NLRB) has proposed a new rule that expands the standard for determining joint-employer status.

**Expected Impact:** This could lead to more businesses being held jointly responsible for labor violations, potentially increasing legal risks and compliance costs.

### 4. Non-Compete Agreements

**What's Happening:** The Federal Trade Commission (FTC) has proposed a rule to prohibit non-compete agreements for employees, with limited exceptions.

**Expected Impact:** This could restrict businesses' ability to protect their intellectual property and retain key employees.

### 5. Registering with FinCEN

**What's Happening:** Small businesses will need to register with the Financial Crimes Enforcement Network (FinCEN) as part of the Corporate Transparency Act.

**Expected Impact:** This requirement could impose additional administrative burdens and costs on small businesses, especially those that are not exempt.

## **6. Reporting Digital Transactions**

**What's Happening:** The IRS has delayed a requirement to report digital transactions over \$600, but plans to implement a reporting threshold of \$5,000 in the future.

**Expected Impact:** This could increase reporting requirements for businesses using digital payment platforms, adding to their compliance burden.

## **7. New Reporting Requirement for Small Business Loans**

**What's Happening:** The Consumer Financial Protection Bureau (CFPB) is requiring banks to report demographics and income of small business loan applicants.

**Expected Impact:** While aimed at reducing discrimination, this requirement could slow down the loan process for small businesses.

## **8. Green Energy Tax Breaks**

**What's Happening:** The Inflation Reduction Act of 2022 expanded tax breaks for businesses that go green, such as credits for buying electric vehicles and deductions for energy-efficient buildings.

**Expected Impact:** While these incentives can benefit businesses, the eligibility requirements and compliance burdens may be challenging for small businesses to navigate.

**References—read the following articles to learn more:**

<https://sbecouncil.org/2023/01/30/new-regulations-small-businesses-may-face-in-2023/>

<https://www.usnews.com/news/business/articles/2023-12-13/what-small-businesses-need-to-know-about-new-regulations-going-into-2024>