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Help U.S. Small Businesses

Support the Small Business SOX Compliance Extension Act

Give Small Businesses 1 More Year!

Dear Colleague:

Almost five years ago, in the wake of massive accounting scandals at firms like Enron and WorldCom, two of America's largest publicly listed companies, Congress enacted the Sarbanes-Oxley Act (SOX). Because the SEC expected small businesses to have difficulties meeting the costs and filing requirements, they were exempted from the regulatory burdens of Section 404.

This exemption was extended last December through the end of 2007 so that the SEC and Public Company Accounting Oversight Board could finalize their revised guidance to management and new standards to the auditors. While I commend the SEC and PCAOB in trying to improve the implementation of Section 404, it remains unclear whether these revisions make it possible for small businesses to comply with Section 404 requirements without suffering dire economic consequences. Furthermore, it is unfair to make our small businesses comply with new regulations that are still being finalized and adopted - halfway through the year for which these small businesses are supposed to report.

I am introducing the **Small Business SOX Compliance Extension Act**. *This legislation will simply direct the SEC to extend the current small business exemption of Section 404 for one additional calendar year.* It is essential that we do not add overly burdensome new costs on our nation's small businesses especially while new auditing standards are still being revised and finalized. By delaying the requirements for one year, we are giving our small businesses more time to ensure they are not unfairly hurt without jeopardizing the accountability goals of the initial SOX legislation.

If you have any questions or would like to cosponsor, please contact me or my Legislative Director, Chris Russell, at 225-4465.

Sincerely,



Scott Garrett
Member of Congress