



This FANmail is brought to you by: Ron Kendall

*"I found opportunities for franchisees while I was with Holiday Inns, Inc., and I find my own opportunities now that I am on the other side of the desk."*

-- Ron Kendall, President of Buffalo Lodging Associates, a multi-unit franchisee of various Marriott and Hilton brands.

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## Tax Reform

### TAKE ACTION NOW!

Urge your elected officials to support the tax reform proposal. The House and Senate have passed their tax proposals - now, both chambers have appointed reconciliation Conferees to convene and propose a final version of H.R. 1, the *Tax Cuts and Jobs Act*.

### **Catherine Monson, IFA Secretary and FASTSIGNS International CEO Discusses Tax Reform on Fox Business Network's Varney & Co.**

FASTSIGNS International CEO Catherine Monson, CFE, appeared on Fox Business Network's Varney & Co. on Friday, Nov. 24. She discussed the ongoing tax reform and what it means for franchising.

Monson, who serves as IFA Secretary, was adamant about fairness for both small businesses and large corporations. She wants small businesses, the drivers of economic growth and innovation, to be positively impacted by tax reform. Monson stressed that she wants Congress to get tax reform right, rather than rush it and overlook key issues to the business community.



## IFA and Franchise Leaders Push for Improvements for Pass Through Entities

As Congress looks to reconcile differences between the House and Senate tax proposals, IFA and franchise business leaders have continued the push for positive changes to the final bill. IFA's Senior Vice President for Public Affairs and Government Relations, Matt Haller, was quoted in *Restaurant Business* expressing optimism on the current proposed tax rate for these pass through businesses. "The 23% deduction is a huge, huge win for franchisees and franchisors who are pass-throughs—it's basically a tax cut," added Haller. He goes on to point out other provisions that must also be addressed in the final tax bill in order to provide relief for the entire franchise business model.



Read more [here](#).



## Taco John's Franchisee Pens Op-ed on Tax Reform

Tam Kennedy, multi-unit owner of Taco John's in Central Iowa, penned an op-ed to discuss the need for tax relief for pass-through businesses. She discussed the ongoing tax reform debate and what it means for franchise businesses providing a compelling argument that with a fair tax code for Iowa's main street businesses, Iowa would have a more positive economic outlook. Kennedy stressed that Congress should level the playing field for small businesses and corporations, rather than settle for the current proposals. Kennedy is a member of the IFA Board of Directors and Vice Chair of the Franchisee Forum.

Read the full op-ed [here](#).

## Chairman and CEO of Great Harvest

## Bread Co. in Dillon, Montana Raises Concerns Over Senate Tax Bill

Mike Ferretti, Chairman and CEO of Great Harvest Bread Co. in Dillon, Mont., wrote an opinion piece on the state of the Senate tax bill prior to its passage. In his writing, Ferretti identified the disadvantages franchise businesses face with corporations: a low income tax deductible for franchise businesses, and small business' inability to deduct state and local taxes like corporations. "Instead of creating new barriers to success, Congress should encourage American small businesses to strive to compete by ensuring the tax code treats them fairly."



Read the full op-ed [here](#).

## Tax Tracker



On Dec. 2, 2017 the U.S. Senate passed the [Tax Cuts and Jobs Act](#) by a vote of 51-49. The bill notably lowers the corporate tax rate to 20 percent in 2019, increases the standard deduction, and eliminates the state and local tax deduction (SALT). IFA voiced strong support for the Senate bill following two changes advocated for by Senators [Ron Johnson \(R-WI\)](#) and [Steve Daines \(R-MT\)](#): Raising the pass-through deduction rate from 17.4 to 23 percent, which was included in the final Senate bill, and [amendment 1814](#). Introduced by [Sen. Daines \(R-MT\)](#), [amendment 1814](#) would allow franchises to qualify for new deductions for pass-through income without any exceptions for so-called professional services businesses, and eliminate the 50 percent cap on W-2 income that can be deducted for franchises. Because of the unique nature of the franchise business model, the placement of W-2 wages may not be in the same business unit and thus would hamstring these small businesses if the cap is not removed. The bills passed in the respective Senate and House chambers are different and must be reconciled through a process called Conference to determine a final bill.

Read IFA's full statement [here](#).

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## IFA Awards Eight Democrat Members of Congress as Small Business Champions



Representatives from IFA and the franchising community traveled to Capitol Hill to recognize eight Democratic members of Congress for their hard work to protect the franchise business model. IFA President and CEO, Robert Cresanti, presented the 2017 Franchise Small Business award to Reps. Jim Costa (D-CA), Kurt Schrader (D-OR), Ami Bera (D-CA), Lou Correa (D-CA), Scott Peters (D-CA), and Collin Peterson (D-MN). IFA recognized these members for their bipartisan work to support small businesses both in their districts and nationwide. IFA will also honor Congressman Henry Cuellar (D-TX) and Congresswoman Stephanie Murphy (D-FL) for their tireless work in support of local business owners.

### **IFA President and CEO Robert Cresanti Discusses the State of Franchise Industry in an Exclusive Interview**

On Nov. 26, IFA President and CEO Robert Cresanti, CFE, was featured in an exclusive interview in the [Wall Street Journal](#) on [The State of the Franchise Industry](#). Cresanti expresses optimism under the new administration, but notes the unharnessed potential of growth due to the uncertainty over the joint employer rule. "We've been through a cycle of eight years of regulatory, legislative and economic challenges, and this is us beginning to get our heads above water. We have lots of headroom if we get a little stimulus" he added.



The full interview can be read [here](#).

## Rep. Claudia Tenney (R-N.Y.) and Julia Brownley (D-Calif.) Introduce Veteran Entrepreneurs Act of 2017



On Nov. 9, Reps. Claudia Tenney (R-N.Y.) and Julia Brownley (D-Calif.) [unveiled the structure of a bill](#) aimed at increasing veteran access to entrepreneurship, specifically franchising, during the transition into civilian life. IFA hosted a panel of military veteran business owners to discuss the rewards and challenges of starting a small business, and the necessity of legislation to encourage returning veterans to take the next step in their career.

The bipartisan Veteran Entrepreneurs Act of 2017 would create a tax credit of up to 25 percent of initial franchise fees for veteran franchisees. It would be available on up to \$400,000 of qualified franchise fees and the unused portion of the tax credit can be carried forward for five years, ensuring that veteran business owners utilize the full tax credit.

Read more [here](#).

## Reinvesting In Our Returning Heroes



Ed Vargas, Navy veteran and Mr. Appliance franchise owner, joined a coalition of House members and other advocacy leaders as part of the Reinvesting in Our Returning Heroes Task Force Member Forum. Mr. Vargas spoke candidly about the challenges facing veterans transitioning to civilian life and how best to tackle these problems with comprehensive legislative solutions. Conversation ranged from newly proposed legislation, such as H.R. 4473, the Veteran Entrepreneurs Act of 2017, and how to improve the current transition program for veterans entering civilian life. The bipartisan coalition of Congressional members listened to Mr. Vargas's testimony on his transition from military life and how Congress can help others reach his level of success.

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## In the News

ICYMI:

### [RESTAURANT FRANCHISORS PUSH FOR FIX OF TAX BILL GLITCH](#),

Restaurant Business

[Senate GOP clears key hurdle on taxes](#), *Politico*

[Democrats propose bill to aid unions](#), *Washington Examiner*

[New NLRB counsel pulls back on 'joint employer' rule](#), *Washington Examiner*

[The Finance 202: Sen. Johnson and small business groups have concerns about tax package. But they may support it anyway](#), *Washington Post*

[Let's not leave America's small businesses behind in tax reform](#), *The Hill*

[GOP leaders in advanced talks to change tax plan in bid to win over holdouts](#), *Washington Post*

Tweets of the Week:

[Thank you so much to @Franchising411 for the 2017 Franchise Small Business Award. Franchise businesses play an important part in the nation's economy and their local communities.](#)

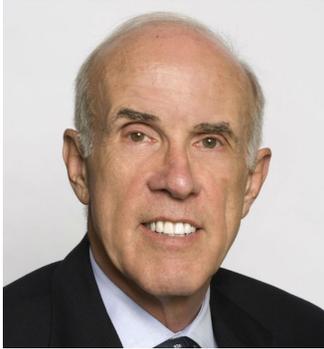
[IFA Pres. and CEO @RobertCresanti expresses optimism on the future of franchising #smallbiz #taxrelief @WSJ](#)

[.@SteveDaines discusses the need for a tax bill that provides #taxrelief for pass through small biz in an exclusive interview with @FoxNews](#)

[.@tacojohns franchise owner Tam Kennedy discusses need for tax reform to work for pass through small biz. not just corporate giants #smallbiz #taxreform](#)

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## Featured FAN: Ron Kendall



Ron Kendall found his path to success through the franchise business model as a multi-unit franchisee of various Marriott International and Hilton Hotels brands following a stint in the U.S. Air Force. As President of Buffalo Lodging Associates, Ron has guided the growth of the company's portfolio from a single hotel to its current roster of nearly 50 properties. He works with the corporate staff to ensure the operating hotels are profitable and provide the service and product quality essential to the success of the organization. He has over 40 years of hospitality industry experience.

Ron earned a BA in psychology from Bridgewater State University and an MBA from Suffolk University. He achieved his first management position in 1972 while still a student. Ron then joined the corporate office at Holiday Inns, Inc. He was promoted to Regional Vice President of Franchise Operations and Development for the Midwest Region before becoming President of Diversified Hotel Management in Boston, Mass. In 1989, Ron joined in partnership with Benderson Development Company and others to create Blend-all Hotel Development. The new company liquidated its hotel portfolio in 1996. Ron continued his relationship with Benderson as the President of newly formed Buffalo Lodging Associates.

In addition to donating time and resources to local charities, helping community programs by providing rooms and equipment for town governments, local schools, fire departments and police, Kendall does his part to assist former military personnel. Buffalo Lodging Associates provides complimentary guest rooms for veterans that require hospitalization and surgery related to spinal injuries in the Buffalo, N.Y. area, part of an effort tied to the Wounded Warrior Project.

[Read Ron's story](#)

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## Franchising Facts - Did You Know?

Franchises are more likely to succeed than individual startups. According to the US Department of Commerce, 95 percent of all franchises are still open after 5 years.

