Last week the American Action Forum released new research examining how the uncertainty for franchises surrounding the joint employer rule may be delaying potential business investment freed up by the pro-growth tax reforms enacted under the Tax Cuts and Jobs Act (TCJA). In particular, the research estimates that the TCJA could provide franchises $140 billion in tax savings over the next 10 years.

See excerpt below:

“The continually changing joint employer standard may also limit the pro-growth benefits of the TCJA. In particular, until the circumstances in which a “joint employer” is recognized are settled, it is difficult to imagine the franchise sector will utilize the new tax law to expand rapidly.”

Click here to read the full research.