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Small Business Survey Depicts Complications in Paying Federal and State Taxes

February 2012 SB Authority's Market Sentiment Survey Results

NEW YORK, March 2, 2012 /PRNewswire/ -- Newtek Business Services, NASDAQ: NEWT, [The Small Business Authority](#), with a portfolio of over 100,000 business accounts, announced today the findings of its SB Authority Market Sentiment Survey, a monthly window into the concerns of independent business owners. Based on a poll of over 1,300 respondents, one of the key findings from the February survey is 48 percent of business owners would not prefer a flat tax rate, even if it would not affect their payment in 2012. Additionally, 57 percent would prefer to pay the same tax amount and would be willing to receive the same or less government services, instead of paying a greater tax and receiving more government services. The survey also depicts that 55 percent of independent business owners surveyed do not completely understand the tax returns they sign off on.

The full February 2012 results showed the following:

Poll Question	Poll Answer	Percentage
Do you understand all aspects of your tax return?	Yes	45%
	No	55%
Would you like a flat tax rate with no deductions if it does not affect your payment in 2012?	Yes	27%
	No	48%
	Indifferent	25%
Would you pay more taxes for additional government services/ reduce debt? Or would you prefer to pay the same tax for less services?	Pay more tax for more service	43%
	Same tax for less service	57%

Barry Sloane, Chairman, President and CEO of [The Small Business Authority](#) commented, "Once again we find interesting dynamics in our SB Authority Market Sentiment Survey. It is clear from the results of our poll that the majority of business owners, despite wanting tax simplification, would prefer not to have a flat tax and give up all their deductions. The fear of the unknown, which is what their effective rate would be versus tax simplification, is not a tradeoff that they are prepared to make at this point in time. It was also interesting to note that business owners clearly do not believe they are getting a good return on their tax dollars, as the majority prefers to have the same tax contribution for fewer services than a greater tax contribution for greater potential government spending. The 1,300 independent business owners surveyed believe that the government inefficiently uses tax dollars. Lastly, we greatly appreciate the candor of our surveyed independent business owners who, in the majority, admit they do not fully understand all aspects of their tax return that they sign off on. Taxes for small businesses are complicated to compute, a necessary evil and unfortunately are not completely understood by the independent business owner community."

About Newtek Business Services, Inc.

Newtek Business Services, [The Small Business Authority](#), provides the following products and services:

- 1 **Electronic Payment Processing:** eCommerce, electronic solutions to accept non-cash payments, including credit and debit cards, check conversion, remote deposit capture, ACH processing, and electronic gift and loyalty card programs.
- 1 **Managed Technology Solutions (Cloud Computing):** Full-service web host, which offers eCommerce solutions, shared and dedicated web hosting and related services including domain registration and online shopping cart tools.
- 1 **eCommerce:** A suite of services that enable small businesses to get up and running on-line quickly and cost effectively, with integrated web design, payment processing and shopping cart services.

- | **Business Lending:** Broad array of lending products including SBA 7(a) and SBA 504 loans through our lending subsidiary, Newtek Small Business Finance, Inc.
- | **Insurance Services:** Commercial and personal lines of insurance, including health and employee benefits in all 50 states, working with over 40 insurance carriers.
- | **Web Services:** Customized web design and development services.
- | **Data Backup, Storage and Retrieval:** Fast, secure, off-site data backup, storage and retrieval designed to meet the specific regulatory and compliance needs of any business.
- | **Accounts Receivable Financing:** Receivable purchasing and financing services.
- | **Payroll:** Complete payroll management and processing services.

Newtek Business Services, Inc., ***The Small Business Authority***, is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business market under the Newtek™ brand. Since 1999, Newtek has helped small- and medium-sized business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek provides its services to over 100,000 business accounts and has positioned the Newtek™ brand as a one-stop-shop provider of such business services. According to the U.S. Small Business Administration, there are over 27.5 million small businesses in the United States, which in total represent 99.7% of all employer firms.

Note Regarding Forward Looking Statements

Statements in this press release including statements regarding Newtek's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through <http://www.sec.gov>.

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