

COMPREHENSIVE TAX REFORM



While we have seen some positive changes, manufacturers and other businesses in the United States still struggle to compete under an overly complex tax system that includes very high tax rates for businesses, arcane rules for taxing international income, an out-of-date cost-recovery system and a significant compliance burden. With bipartisan recognition of the need to overhaul our federal tax system, we have the best chance in more than 30 years to advance pro-growth tax reform. Tax reform is a critical issue for manufacturers and the broader U.S. economy; it is imperative that policymakers take advantage of this opportunity.

Key Talking Points:

- **Comprehensive business tax reform must include lower tax rates for all businesses.** The United States has the highest corporate tax rate among developed countries. A corporate rate of 15 percent or lower will make the United States a more attractive place to manufacture and invest. Since more than two-thirds of manufacturers—mostly small and medium-sized businesses—pay taxes at the individual rate, tax reform must also lower taxes on these businesses, which play a critical role in the supply chain and broader economy.
- **Comprehensive business tax reform must include updated rules for taxing international income.** Current tax laws make it difficult for global U.S. companies to thrive in the world marketplace. To make U.S. multinationals more competitive, a tax reform plan must include a territorial tax system similar to those of most industrial countries, structured to make U.S. companies competitive, not raise revenue.
- **Comprehensive business tax reform must encourage innovation.** Research and development (R&D) fuels innovation that translates into new product development and increased productivity for manufacturers of all sizes. The current R&D credit is a proven incentive for spurring private-sector investment and creating domestic, high-wage jobs. A strengthened R&D incentive would enhance its value and help ensure U.S. leadership in global innovation.
- **Comprehensive business tax reform must promote investment.** All manufacturing sectors require regular capital investments to upgrade, expand and innovate. Indeed, capital investments are at the heart of growing the manufacturing sector and the broader economy. Allowing companies to write off the cost of their investments as quickly as possible will promote investment and growth.

Request:

- **Support comprehensive, pro-investment, pro-competitiveness tax policy.** Comprehensive business tax reform will strengthen our economy and create jobs and investment. We have a historic opportunity, and now is the time to act and ensure that the United States is the best place in the world in which to manufacture.