



April 3, 2014

The Honorable Dave Camp
Chairman
House Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Camp:

The RATE (Reforming America's Taxes Equitably) Coalition, a bipartisan group of 32 businesses and associations representing nearly one-third of all U.S. jobs, is much encouraged by the introduction of your tax reform discussion draft, the Tax Reform Act of 2014. The draft legislation is designed to be revenue and distributionally neutral, lowers the corporate tax rate to 25 percent, broadens the tax base, and encourages growth, job creation and investment in the United States. We congratulate and thank you for delivering on your commitment to these principles.

Tax reform is necessary for U.S. competitiveness. Last updated in 1986, America's tax code has since become overly complicated. At 39 percent (a combination of the 35 percent federal rate and the average rate levied by U.S. states), the United States currently has the highest statutory corporate tax amongst all OECD nations. While many of our trading partners, including Canada, the United Kingdom and Japan, are lowering their respective rates and aggressively modernizing their corporate tax codes to attract companies and headquarters, the United States has yet to follow suit.

America's outdated and overcomplicated tax code limits the ability of U.S. companies to invest, hire and grow. According to a recent [Ernst & Young study](#), due to reductions in the corporate income tax rate enacted abroad over the past several decades, U.S. GDP in 2013 was estimated to be reduced by 1.2 to 2.0 percent as a result of our high corporate tax rate. Over the long term, U.S. wages will be depressed by 1.2 percent while other countries seek to lower their corporate tax rates to attract U.S. businesses and investments.

Your proposal is an important step forward in the public conversation on tax reform. As others in Congress review your plan, they should be encouraged by the results of the macroeconomic analysis conducted by the Joint Committee on Taxation (JCT). According to the JCT economists, the Tax Reform Act of 2014 would increase the after-tax reward from work and the after-tax return to business capital. The projected results are broad and encouraging; GDP is projected to increase between 0.1 percent and 1.6 percent over the 10-year budget period and federal revenues are projected to increase by between \$50 billion to \$700 billion.

The RATE Coalition would like to thank you for your efforts and urge you to continue your work towards comprehensive tax reform. We look forward to continuing the dialogue with you and members of your committee to discuss ways to lower America's statutory corporate tax rate and make the U.S. tax system simpler and fairer.

www.RATEcoalition.com

info@ratecoalition.com | 866-832-4674 | P.O. Box 33817, Washington DC, 20033

Thank you for your consideration and ongoing support in this important matter.

Sincerely,

Howard A. Willard III
Executive Vice President and
Chief Financial Officer
Altria Group, Inc.

Carol B. Tomé
Chief Financial Officer and
Executive Vice President, Corporate Services
The Home Depot, Inc.

John J. Stephens
Senior Executive Vice President and
Chief Financial Officer
AT&T Inc.

Mark Buthman
Senior Vice President and
Chief Financial Officer
Kimberly-Clark Corporation

Anthony S. Colatrella
Senior Vice President and
Chief Financial Officer
The Babcock & Wilcox Company

Bruce L. Tanner
Executive Vice President and
Chief Financial Officer
Lockheed Martin Corporation

Greg Smith
Executive Vice President and
Chief Financial Officer
The Boeing Company

Thomas R. Adams
Executive Vice President and
Chief Financial Officer
Reynolds American Inc.

David M. Denton
Executive Vice President
and Chief Financial Officer
CVS Caremark

David C. Wajsgras
Senior Vice President and
Chief Financial Officer
Raytheon Company

Alan B. Graf, Jr.
Executive Vice President and
Chief Financial Officer
FedEx Corporation

Braxton Carter
Executive Vice President and
Chief Financial Officer
T-Mobile US, Inc.

Francis J. Shammo
Executive Vice President and
Chief Financial Officer
Verizon

cc: The Honorable Ron Wyden
The Honorable Sandy Levin
The Honorable Orrin Hatch