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U.S. Senate Finance Committee Hearing
"Business Tax Reform"
September 19, 2017

Thank you, Chairman Hatch and Ranking Member Wyden, for convening this critical hearing today on America's broken business tax system.

It's a simple fact that at 35 percent, the U.S. has the highest statutory corporate tax rate in the industrialized world. Indeed, our combined state and federal corporate tax rate of 39.1 percent is almost 50 percent higher than the OECD average of 24.1 percent. Yet, the rub comes when we compare the statutory tax rate with the effective tax rate. And here we sometimes see a dramatic difference. That is, despite the high "sticker rate," some corporations are paying an effective rate in the single-digit range, sometimes, even, zero—or less.

Conversely, most corporations—especially those with mostly domestic operations—pay a much higher rate. That is, up there in the 30s, well beyond the international average.

It's this discrepancy—this unfairness—between tax rates that helps animate the drive for tax reform, including corporate tax reform.

To put it bluntly, it's crazy to let some companies pay tax at well below the international average, and others pay tax at well above the international average.

Companies that exploit our broken system to avoid paying taxes through loopholes should pay their fair share. Americans deserve the kind of reform that makes single-digit—even zero— percent tax rates a thing of the past.

Yet, at the same time, many American companies—both large and small—are paying abundantly more than their fair share. As such, it is clear that America's business tax system is broken.

As Washington prepares to consider the high cost of that broken tax system on businesses of all sizes and the workers they employ across the country, we are guided by a fundamental belief that America cannot continue to allow a higher tax rate to lower our position in today's globalized marketplace.

We have therefore made it our mission to reform the tax code by reducing the corporate income tax rate. Here's why:

- A September 2017 analysis conducted by the National Retail Federation found that high corporate tax rates push down wages of the average corporate worker by as much as $4,690 annually.
    - The NRF found that in 2015, workers bore between $86 billion and $257 billion of the corporate tax burden
- A September 2017 report by the Heritage Foundation found that "the corporate income tax harms workers through lower wages."
- A 2015 NRF analysis conducted by EY found that the failure to reduce the U.S. corporate tax rate costs U.S. families $3,000 a year in spending power.

- A March 2013 study conducted by EY found that in the long run, the U.S. economy, as measured by U.S. GDP, would be smaller by between 1.5% and 2.6% if the current corporate income tax rates remain in place (equivalent to a reduction in U.S. GDP of roughly $235 billion to $345 billion each year.)
- A 2015 Business Roundtable report conducted by EY found that with a 25% tax rate, U.S. companies would have acquired $590 billion in cross-border assets over the past 10 years instead of losing $179 billion in assets—a net shift of $769 billion in assets from foreign countries to the United States.
    - The report also found that a 25% tax rate would have kept 1,300 companies in United States.
- A January 2015 National Association of Manufacturers study found that over a 10-year period, a pro-growth tax reform plan would increase GDP by more than $12 trillion relative to CBO projections, increase investment by more than $3.3 trillion, and add more than 6.5 million jobs to the U.S. economy.
- A September 2012 analysis by the American Action Forum estimated that a comprehensive tax reform plan that includes a move to a territorial tax system, with a statutory tax rate of at least 25% (revenue neutral—inclusive of growth effects) would lift economic growth by 1 percentage point. In the near term, this would translate to roughly 1 million more jobs.
- A 2015 simulation conducted by the Tax Foundation's TAG Model found that our GDP would increase by 3.3% or 4.3% if our corporate income tax rate mirrored the levels enjoyed in the UK and Canada respectively.

Put simply: Because American companies are paying the highest corporate tax rate in the industrialized world, the American worker is paying a steep price in the form of lower wages and lost opportunities. As a result, our federal government isn't just collecting taxes—it is also constricting our economy by keeping it on the wrong side of a global zero-sum game in which our loss can become quite literally any other country's gain.

It is therefore long past time to enact meaningful tax reform with a rate that is as competitive as our spirit—one that unleashes, not undercuts, American prosperity. The bipartisan resolve in your Committee and among your colleagues to seize this once-in-a-generation opportunity is a telling testament to the importance of doing so.

As more and more American businesses flee to more economical shores overseas, our global competitors—each and every country the world over—aren't just counting on Washington's continued inaction — they're hoping for it.

Let's prove them wrong by doing right by the American worker.