Business Roundtable℠

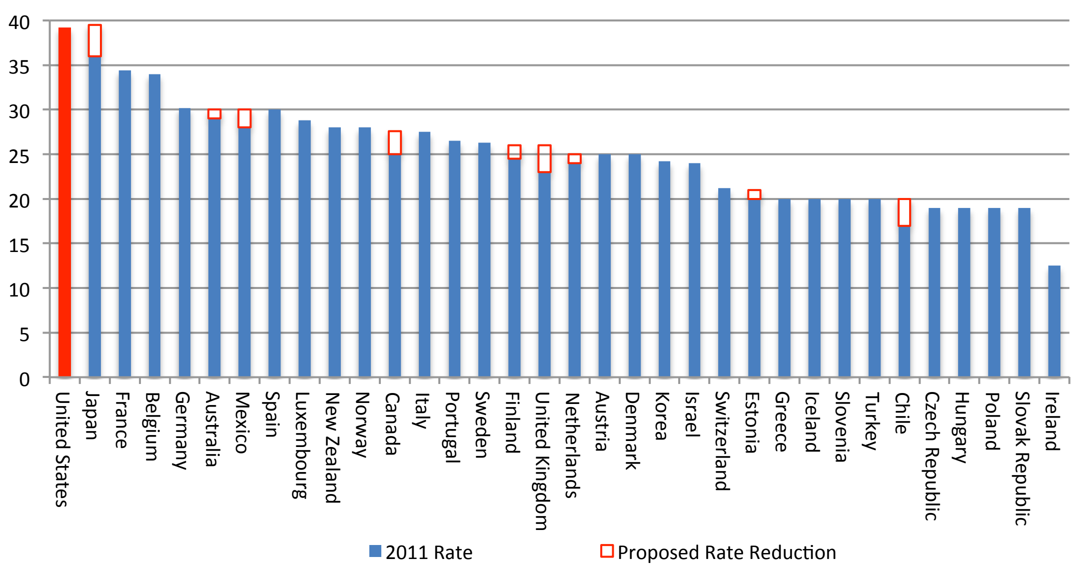
Increasing Already High U.S. Corporate Taxes Will Disadvantage American Companies in the World Economy

America used to have one of the lowest corporate tax rates in the world but, as other industrialized nations have lowered corporate taxes, in 2011 the U.S. combined corporate rate of 39.2% was the second highest among OECD (Organization for Economic Cooperation and Development) countries, over 13 percentage points higher than the OECD average. When Japan's corporate tax rate reduction took effect on April 1, 2012, the combined statutory rate in the United States is now the highest among the OECD countries.

Also unlike most other countries, the United States taxes the worldwide earnings of U.S.-headquartered companies, not just their U.S. earnings. To level the playing field, Congress has enacted a series of complex tax rules designed to allow American companies to compete better with their foreign competitors.

The Treasury Department now proposes to fundamentally rewrite the basic rules of international taxation that have been in existence for nearly 100 years in a manner that would severely disadvantage U.S. companies. While most of the world is striving to make their companies more competitive, the United States is moving in the opposite direction.

Comparison of OECD Corporate Tax Rates (2011 and Proposed Future Rate Reductions)



A massive increase in taxes will disadvantage American companies and make U.S. workers less secure.

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