Subject: FW: TAX REFORM EDITION: COMMUNICATIONS BRIEFING

2017 Tax Reform for Economic Growth and American Jobs

The Biggest Individual And Business Tax Cut In American History

Top Line:

- The U.S. tax code is overcomplicated and fails to create enough jobs, or provide relief to middle class families.

  - Since 2001, the U.S. tax code has faced nearly 6,000 changes, more than one per day.
  - Taxpayers spend nearly 7 billion hours and over $250 billion annually on compliance costs.
  - The U.S. has the highest statutory tax rate in the developed world, discouraging business investment and job creation.

- President Trump is proposing the largest tax cut for individuals and businesses in U.S. history.

  - It will simplify the tax code, incentivize investment and growth and create jobs.
  - It will provide historic tax relief for middle income families and small business owners.

The Need For Comprehensive Tax Reform

- An overly complex tax code is confusing and burdensome on American taxpayers.

  - The last major effort to successfully reform the U.S. tax code was over 30 years ago under President Reagan.
  - Today, according to the IRS' National Taxpayer Advocate, the federal tax code is nearly four million words long.
  - Congress has made more than 5,900 changes to the federal tax code since 2001 alone, averaging more than one change a day.
  - The National Taxpayers Union estimates that Americans spend 6.989 billion hours at a cost of more than $262 billion on compliance and record keeping costs.
  - Instead of a single tax form, the IRS now 199 individual income tax forms and 235 business tax return forms.
  - Approximately 90% of taxpayers need help doing their taxes.

- Today, with a corporate tax rate of 35%, U.S. businesses face the highest statutory tax rate in the developed world, and fourth highest effective tax rate, which discourages job creation or investment.

- The U.S. is out of step with its competitors, having the highest corporate income tax rate among the 35 OECD nations and being the only nation that has increased its rate since 1988.
- A lower business tax rate will discourage corporate inversions and companies from moving jobs overseas.
- The high corporate tax rate keeps trillions of business assets overseas rather than being reinvested back home.
- Even President Obama proposed lowering the business tax rate to 28 percent to help spur economic activity.

Tax Reform for Economic Growth and American Jobs: The Biggest Individual And Business Tax Cut In American History

- Goals For Tax Reform

  - Grow the economy and create millions of jobs
  - Simplify our burdensome tax code
  - Provide tax relief to American families-especially middle-income families
  - Lower the business tax rate from one of the highest in the world to one of the lowest

- Individual Reform

  - Tax relief for American families, especially middle-income families:

    - Reducing the 7 tax brackets to 3 tax brackets of 10%, 25% and 35%
    - Doubling the standard deduction
    - Providing tax relief for families with child and dependent care expenses

- Simplification:

  - Eliminate targeted tax breaks that mainly benefit the wealthiest taxpayers
  - Protect the home ownership and charitable gift tax deductions
  - Repeal the Alternative Minimum Tax
  - Repeal the death tax

- Repeal the 3.8% Obamacare tax that hits small businesses and investment income
- Business Reform

  - 15% business tax rate
  - Territorial tax system to level the playing field for American companies
  - One-time tax on trillions of dollars held overseas
  - Eliminate tax breaks for special interests

- Process

  - Throughout the month of May, the Trump Administration will hold listening sessions with stakeholders to receive their input.
  - Working with the House and Senate, the Administration will develop the details of a tax plan that provides massive tax relief, creates jobs, and makes America more competitive – and can pass both chambers.