From: Gray, Christopher S. EOP/WHO <Christopher.S.Gray@who.eop.gov>
To: Gray, Christopher S. EOP/WHOChristopher.S.Gray@who.eop.gov
Date: 12/4/2017 11:54:44 AM
Subject: Tax Reform Takes Another Step Forward

Good Morning

Below, please see the latest Op-Eds, Press Releases, and News on Tax Reform.

Christopher S. Gray
Senior Associate Director
White House Office of Intergovernmental Affairs

Governor Justice Issues Statement Supporting Federal Tax Reform

CHARLESTON, WV – Gov. Jim Justice issued a statement today supporting the efforts of President Donald Trump and Congressional leaders who are working on a federal tax reform package.

"President Trump is continuing to keep his promise to Americans to help grow our country by providing our average families with significant tax relief," Gov. Justice said. "By simplifying and streamlining the tax filing process it lifts a huge burden off of the middle class," said Gov. Justice. "Higher standard deductions and lower rates for businesses will also encourage economic growth and the creation of jobs. ”

“I urge our Congressional representatives to vote for this tax reform package so President Trump can sign it into law,” Gov. Justice added.

Governor Rick Scott : Twitter

“Glad to see Washington is following Florida’s lead and finally taking action on cutting taxes. Last month, I met with small bsuiness leaders with @VP to talk about how important this is”

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
December 2, 2017

Statement from the Press Secretary on the Tax Cuts and Jobs Act

President Donald J. Trump applauds the Senate for passing the Tax Cuts and Jobs Act. The Senators who voted for these historic tax cuts did a great service to their constituents as they supported putting America first, growing the economy, and rebuilding our great country. The policies in this bill will cut taxes for hardworking families and put our economy on a path of sustainable economic prosperity and job creation. We have a once-in-a-lifetime opportunity to reclaim America’s great destiny. The Administration looks forward to working with Congress to fulfill the promise we made to deliver historic tax cuts for the American people by the end of the year.

###

Statement by U.S. Secretary of Labor Acosta on Senate Passage of Tax Reform

WASHINGTON, DC – U.S. Secretary of Labor Alexander Acosta issued the following statement today regarding Senate passage of the tax reform bill:

“Senate passage of tax reform is continued good news for America’s job creators and job seekers. Reducing taxes and reforming the tax code will help businesses of all sizes hire more Americans and invest in the workforce. President Trump has brought a spirit of economic optimism back to our nation, with nearly 1.5 million jobs created since January, the lowest unemployment rate in 17 years, and two consecutive quarters of GDP growth over 3 percent. Tax reform will create the conditions for continued economic growth and even more job creation."

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 28, 2017

Statement from the Press Secretary on the Tax Cuts and Jobs Act Passing the Senate Budget Committee

President Donald J. Trump applauds the Senate Budget Committee on taking an important step toward passing historic tax relief and reform and clearing the Tax Cuts and Jobs Act this afternoon. The momentum driving our shared priorities of job growth, economic competiveness, and fiscal responsibility through tax reform is undeniable, and this Administration is encouraged by the progress the Senate has made toward achieving these priorities. The President looks forward to providing tax cuts for hardworking Americans by the end of the year.

###

SMALL BUSINESSES ARE CRITICAL TO THE ECONOMY: Small businesses are a primary driver of the America

- There are nearly 30 million small businesses in the United States, employing 57.9 million American workers,
  - 48 percent of all American workers are employed by small businesses, defined as firms emp
  - Historically small businesses are responsible for two out of every three net new jobs created
- Over half a million new small businesses are launched each year in the United States, creating more
- Nearly half of the United States gross domestic product (GDP) is driven by small businesses, accord
  - Over 97 percent of United States exporters are small businesses, according to the U.S. Small

TAX REFORM FOR SMALL BUSINESSES: The tax reform plans in the House and Senate would

- Under the House tax reform bill, businesses organized as sole proprietors, S corporations, or partne
  - This would be the lowest top marginal tax rate in more than 80 years.
  - Over 99 percent of American businesses are incorporated as one of these "pass-through" firr
- Under the House bill, small businesses that file a joint return would have their first $75,000 of incon
- Under the Senate bill, businesses organized as sole proprietors, S corporations, and partnerships wo
- For the next five years, American businesses will be able to immediately write off the full cost of the
  - This will help American businesses afford the heavy industrial machinery and other capital

HIGHER GROWTH, HIGHER WAGES, AND MORE JOBS: The tax reform bills in the House an

- Cutting the top Federal corporate tax rate from 35 percent to 20 percent and allowing businesses to
  - GDP could increase by between 3 and 5 percent in the long term.
  - American annual household income could increase by an average of $4,000.
- A 3 to 5 percent increase in GDP over ten years could represent an additional $700 billion to $1.2 tri
  - Just cutting the corporate tax rate to 20 percent is estimated to increase long-run GDP by 3.1
- Developed countries that have lowered their effective corporate tax rates have experienced wage gr
  -

- Wages for American workers of all skill levels would increase after corporate taxes are cut.
- Developed countries with the low corporate tax rates have seen significantly higher wage gr
- Cutting corporate tax rates will encourage firms to invest back in the United States, creating well-pa
  - After President Bush's 2003 tax cuts, the economy created 7.8 million jobs over five years, ba
  - After President Reagan's 1981 tax cuts, the economy created 14.8 million jobs over five years
  - After President Kennedy's tax cuts, the economy created 12.0 million new jobs over five year

REMOVING THE BURDEN ON SMALL BUSINESSES: President Trump has already taken actic

- Small business owners have the highest levels of optimism in over a decade according to Wells Farg
- Federal regulations cost the American economy $1.9 trillion and small businesses with 50 or fewer e
  - Small businesses are punished disproportionately by excessive government regulation and f
- President Trump signed an Executive Order, which mandates that for every one new regulation, tw
- President Trump signed into law 15 Congressional Review Act resolutions – blocking harmful Obai
- In President Trump's first six months, the Administration has approved the fewest regulations witl

The sell-off triggered by a report that former national security adviser Michael Flynn may have cut a deal tc
The S&P 500, Nasdaq Composite and Dow Jones Industrial Average all plummeted shortly after the ABC r
enough support to help the bill cross the finish line.
That helped ease equities back from the brink. The S&P 500 is now down 0.4 per cent on the day, with telec
The dollar index — measuring the buck against a basket of peers — bounced back from its low point of the

FOR IMMEDIATE RELEASE
December 4, 2017

"Tax reform, by closing loopholes, will reduce distortions, so

Democrats' straw man fights tax cuts
Editorial
Washington Examiner
December 4, 2017

…

But the lesson here is not that corporate tax cuts don't and won't create jobs. Companies that spend an inor
riskier than the squeezing of every last penny out of a corporate tax return.

This is how a dysfunctional tax system such as the one we now have strangles a national economy, and it is

…

The main point of lowering tax rates and getting rid of loopholes is to encourage corporations to spend mo

Because the U.S. has nearly the highest corporate tax rate in the industrialized world, American companies

Tax reform, by closing loopholes, will reduce distortions, so productive activities are prioritized over unpro
Many companies would love to invest overseas after-tax profits in their American operations, but this woul

By removing incentives for irrational behavior, tax reform can dramatically increase the amount of corpora success against foreign competitors.

…

Read the full editorial here.

Lt Governor Mary Taylor : Ohio Lessons Learned on Tax Reform

I'm so encouraged to see the President and Congress working on the issues that make a real difference to Ohio job creators – flexibility on health care, reducing the burdens of regulation, investing in infrastructure. Results are what matter to the Ohioans I talk to virtually every day as Lt. Governor and it is time for action.

The President unveiled his tax reform proposal, and I'm pleased that many elements take a page out of Ohio's playbook – either what we have already done successfully or what I have proposed doing to move Ohio forward even further.

Since taking office in 2011, we've turned away from the tax and spend policies of the Strickland era. We've repeatedly balanced the budget and enacted $5 billion in tax cuts for working Ohioans. This includes eliminating the estate tax (more commonly known as the "death tax"), cutting the state income tax, creating substantial tax deductions for small businesses, and providing targeted tax relief to low-income workers.

These actions – combined with other jobs-friendly policies like aggressive regulatory reform through the Common Sense Initiative which I lead – have proven extremely successful in Ohio. We've gaining nearly 500,000 new private sector jobs. We eliminated an $8 billion budget deficit and rebuilt our state's savings account from 89 cents to more than $2 billion.

I believe the President's tax plan – and his push to cut government red tape -- will have similar benefits for the nation.

After eight years of job-killing policies, the White House is finally doing its part. President Trump has called for reducing the corporate and small business tax rate, which would release employers from their shackles and unleash a new era of American prosperity. Small businesses currently face a top federal marginal tax rate of nearly 40 percent. The president's proposal to cut this rate will allow small business owners to invest more of their resources into hiring, expansion, and local communities—keeping less money in Washington, D.C. and more on Main Street.

The President is proposing the biggest tax cut to small and midsize businesses in 80 years, and as we have seen in Ohio, this will jumpstart the nation's economy. The Council of Economic Advisors has estimated that the average American household income could increase between $4,000 and $9,000 a year in wages and salary alone from this proposal. And while not an issue that we deal directly with in Ohio's tax system, we know that the offshoring of corporate earnings has resulted in a loss of federal tax revenues as large as $767 billion. Addressing this issue will have enormous implication for job creators here and throughout the country.

The White House has also made tax simplicity a top priority. Secretary Mnuchin described the tax code as a "complicated set of rules" that leaves employers with less time to focus on business operation. The National Federation of independent Businesses has found that 85 percent of small business owners agree that the tax code is "too complex and should be overhauled."

As a candidate for Governor in Ohio, I have said the same thing about our tax system. As much progress as we've made on rates, we can do more on simplicity and customer service. I have – like the President – proposed returning Ohio's income tax return to the simple postcard it was when our income tax was created in 1971. I have advocated for a Tax Department much more focused on helping business and other taxpayers comply than on punishing them for innocent mistakes on complicated filings.

I have a positive vision for Ohio. We will shape an economy that generates jobs and opportunity. I'm proud of the work we've done – and what I am proposing we continue to do – on taxes in Ohio. Job creators nationwide are demanding the same relief in their states.

Ohio is a place where people want to work. Where the prospect of an honest day's pay for an honest day's work is something we aspire to. I look forward to working with the President and Congress on our parallel efforts to improve the lives of our taxpayers.

Mary Taylor is the Lieutenant Governor of Ohio.

Texas Agriculture Commissioner Sid Miller – Statement on Tax Reform

'Agriculture and small business have always been the backbone of our economy, and federal tax reform is critical for those that feed and clothe our nation and the world. I applaud the efforts of the President and those in Congress that are working to ease the tax burden on our farmers and ranchers, as well as main street. Our future, even our national security, depends on the ability of the U.S. to feed and protect ourselves. Tax reform is vital to our agriculture community and therefore our nation"

New Mexico Secretary of Agriculture Jeff Witte – Op-Ed

Nov. 13, 2017

According to the 2012 Census of Agriculture, the average age of a New Mexico producer is 60.5 years, which is the second highest age, only behind Arizona. These producers, and for that matter, the entire state of New Mexico, will undergo a transition in the near future which will shape our destiny for years to come. The next generation of agriculturists, with their energy, dreams and drive, will soon be in a position to take on the challenge of feeding their communities, the state and the world.

Or will they?

Congress is currently debating tax policy. Among the discussion is the estate tax. Proposals to raise the estate tax exemption or delete it all together will have a profound impact on the next generation of agriculturists. Farming and ranching enterprises are asset rich and cash poor. These enterprises operate as a unit, one part relying on the other. They are valued as a whole, and splitting them up may cause the entire business to fail, which is a position that many in agriculture face when dealing with estate tax situations.

The farm and ranch property often has to be split and sold to satisfy estate taxes upon the death of a family member. This predicament leads to the next generation having to take family assets to satisfy the tax in order to preserve the enterprise as a whole, leaving these individuals in a position in which they cannot succeed financially, eventually losing the family business.

As I meet with agriculturists across New Mexico, most who have been on a single place through multiple generations, the message is clear. They are most concerned about whether they will have the ability to pass on the agriculture business to the next generation without having to break it up and make it an unviable entity due to perceived asset appreciation triggering an estate tax.

New Mexico agriculture will witness a great transition in the next few years. If the estate tax continues in its current format, that transition could lead to less local food production. Let's encourage congress to repeal the estate tax, or at a minimum, raise the exemption to protect our family farms and ranches.

Jeff Witte
New Mexico Secretary of Agriculture

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 28, 2017

CO-FOUNDER OF JOB CREATORS NETWORK AND THE HOME DEPOT BERNIE MARCUS: "GOP SHOULD UNITE FOR LEGACY TAX-REFORM VOTE"

"It's time for Republican senators to put petty and political differences aside to come together over tax cuts for hardworking Americans."

GOP should unite for legacy tax-reform vote
By Bernie Marcus
The Hill
November 28, 2017

Delivering long-overdue relief from overtaxation so that small businesses can become big ones and so hardworking families can keep a little more of what they earn is a legacy for which every U.S. senator should be remembered.

…

Focus on the bill, not the shills. Look at how the doubling of the zero tax rate, the doubling of the child tax credit and the elimination of the 15 percent tax bracket in favor of an expanded 12 percent bracket would save middle-class taxpayers thousands of dollars a year.

And look at how the new 17.4 percent deduction for all businesses earning less than $500,000 annually, and for all nonprofessional service businesses above that threshold, will bring much needed tax relief to the overwhelming majority of the nation's small-business job creators who have been largely passed over by the economic recovery.

…

Tax cuts are more than just a Christmas gift to Americans. They are the gift that keeps on giving, reverberating in so many positive ways that they're impossible to quantify.

…

For some senators, a vote for the tax cut bill will be something they can take back to voters during election season, pointing out how their vote delivered their constituents the equivalent of gas money or utility bills for a year.

That's a huge relief for the four-fifths of working Americans who live paycheck-to-paycheck, or for the half of Americans who can't cover an unexpected $400 expense, like a medical bill or car repair.

For many senators, this will be a legacy-cementing vote for which they will be remembered and thanked long after they're gone.

…

With the House tax bill passed, the real fight begins in the Senate this week. It's time for Republican senators to put petty and political differences aside to come together over tax cuts for hardworking Americans.

Read the full op-ed here.

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 30, 2017

NATIONAL TAXPAYERS UNION'S MICHAEL FRYT AND PETE SEPP: "TAX REFORM MAKES AMERICA COMPETITIVE AGAIN"

"Every Senator should support passage. Failure to cast a 'yea' vote could result in this opportunity slipping away, condemning our economy and country to the status quo."

Tax reform makes America competitive again
By Michael D. Fryt and Pete Sepp
The Commercial Appeal [Memphis, Tennessee]
November 30, 2017

The U.S. Senate has the best opportunity in recent memory to do something truly beneficial for our country: Pass tax reform.

Every Senator should support passage. Failure to cast a "yea" vote could result in this opportunity slipping away, condemning our economy and country to the status quo.

…

Our tax code is a mess, well-known by tax experts, economists, and politicians from both parties for being economically self-destructive.

It contains a corporate tax rate that is among the world's highest, and policies that distort basic business decisions – decisions directly affecting jobs and wages.

…

Most countries have aggressively improved their tax systems in the last 30 years to grow their economies by attracting new businesses. For example, the American Action Forum reports that, since 1988, all but two countries, New Zealand and the U.S., have dramatically reduced their corporate tax rates.

…

The Senate bill says "enough." In a preliminary analysis, the Tax Foundation estimated that the bill, before amendments that could improve its revenue score, would produce higher wages, 900,000 new jobs, and sufficient economic growth to be very close to revenue-neutral over 10 years, assuming a current policy baseline.

…

Tax reform should pass not for our own selfish interests, but in the interests of our country's future -- our children's and grandchildren's future.

The great majority of individuals, families and businesses will see lower tax bills if tax reform passes. Most will see their tax-filing processes simplified. But the biggest impact will be from economic growth — which benefits everyone.

…

Read the full op-ed here.

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 27, 2017

"SEN. RAND PAUL: HERE'S WHY I PLAN TO VOTE FOR THE SENATE TAX BILL (AND MY COLLEAGUES SHOULD STEP UP)"

"This tax bill is a true test for my colleagues. I'm not getting everything I want — far from it. But I've been immersed in this process. I've fought for and received major changes for the better — and I plan to vote for this bill as it stands right now."

Sen. Rand Paul: Here's why I plan to vote for the Senate tax bill (and my colleagues should step up)
By Sen. Rand Paul
Fox News
November 27, 2017

One of the fundamental problems in Washington is the attitude that the money that people make belongs to the government. That's why you hear arguments about how much a tax cut "costs," or big government advocates disingenuously and breathlessly complaining about the people who pay taxes getting a tax cut.

…

One of the main differences between Republicans and Democrats is that Republicans, in general, favor less government and more tax cuts. That's why I'm pleased to see us moving forward on a plan for tax cuts, and why I hope to vote to pass such a cut in the coming weeks.

…

This tax bill is a true test for my colleagues. I'm not getting everything I want — far from it. But I've been immersed in this process. I've fought for and received major changes for the better — and I plan to vote for this bill as it stands right now.

I urge my colleagues to do the same. I urge you, their constituents, to make sure they hear from you.

The next few weeks in Washington will be important. Will we keep our word and cut taxes? Will we do what we campaigned on and repeal the ObamaCare mandate? I will fight for both, and I look forward to ending the year keeping these important promises to the American people.

Read the full op-ed here.

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE

November 27, 2017

THE WALL STREET JOURNAL EDITORIAL BOARD: "TAX REFORM, GROWTH AND THE DEFICIT"

"Republicans need to decide if they still believe America can prosper again, or if it is doomed to the slow growth and stagnant wages of the last 11 years."

Tax Reform, Growth And The Deficit
Editorial
The Wall Street Journal
November 27, 2017

…

Start with the fact that the GOP budget outline allows for a net tax cut of $1.5 trillion over a decade on a statically scored basis thanks to a deal brokered by Senators Pat Toomey and Bob Corker. Democrats and their media chorus are using that number to claim that reform will bust the budget and add to the federal debt. This comes with ill grace from people who cheered Barack Obama's doubling of the national debt in eight years, but it's also overwrought.

…

CBO's estimates are inherently speculative because no one knows when the next recession might hit or what some future Congress might do. But CBO has typically underestimated the growth and revenue feedback from tax cuts. A classic example is the 2003 cut in the tax rate on capital gains. Dan Clifton of Strategas Research notes that in January 2004, eight months after the tax cut passed, CBO predicted $215 billion in capital-gains revenue through 2007. The actual figure? $377 billion. CBO underestimated economic growth and how much investors would cash in their gains.

CBO's roughly $43 trillion revenue estimate also depends on a projection of average economic growth of 1.9% a year. But the U.S. economy has never grown that slowly for so long. CBO says that every 0.1% increase in GDP adds about $270 billion in revenue over 10 years. That means a mere four years at 3% growth—the U.S. historical norm—could fill a $1 trillion hole.

…

Another false charge from the left is that the GOP bills are merely a tax cut without any reform. But the bills eliminate trillions of dollars in loopholes, such as the state and local tax deduction. The House bill caps the mortgage-interest deduction at $500,000.

Also on the chopping block are business carve-outs—including cuts in the deductibility of interest—that are used to pay for lower business tax rates. We'd like to see every loophole eliminated, but this really is the most far-reaching business-tax reform since 1986.

…

The question Senators need to ask themselves in the end is whether this reform, all things considered, is a net benefit for the country. We think it is—not least because it is a vote of confidence that better policies can restore America's traditional economic vigor. Democrats and their media friends have given up on that score, concluding that we are doomed to "secular stagnation" and that our politics must devolve into a brawl to divide up the spoils of whatever meager growth we can muster.

…

Read the full editorial here.

How Tax Reform Will Lift the Economy
The Wall Street Journal

November 26, 2017
Dear Mr. Secretary:

The present debate over tax reforms proposed by President Trump’s administration and embodied in bills that have passed the House of Representatives and the Senate Finance Committee has raised the basic question of whether the bills are “pro-growth”: Would the proposals raise current and future economic activity and generate federal tax revenue that would reduce the “static cost” of the reforms? This letter explains why we believe that the answer to these questions is “yes.”

A considerable body of economic research concludes that reductions in the user cost of capital raise output in the short and long run. Several of the proposals that have emerged in the current debate are key to lowering the user cost of capital.

A lower corporate tax rate also lowers the user cost of capital, which not only induces U.S. firms to invest more, but also makes it more attractive for both U.S. and foreign multinational corporations to locate investment in the United States.

Simultaneously reducing the corporate tax rate to 20% and moving to immediate expensing of equipment and intangible investment would reduce the user cost by an average of 15%, which would increase the demand for capital by 15%. A conventional approach to economic modeling suggests that such an increase in the capital stock would raise the level of GDP in the long run by just over 4%.

In short, there is a substantial body of research suggesting that fundamental tax reform of the type being proposed would have an important effect on long-run GDP. We view long-run effects of about 3% assuming five years of full expensing, and 4% assuming permanent full expensing, as reasonable estimates.

Another advantage of the corporate rate reduction embodied in the House and Senate Finance bills is that it would lead both U.S. and foreign firms to invest more in the United States. In addition, U.S. multinational firms would face a reduced incentive to shift profits abroad, which would raise federal revenue, all else equal.

While difficult to quantify, as the bills specify different effective tax rates, these [individual tax] provisions would increase investment and GDP above the level associated with the corporate tax changes discussed above

On balance, though, we believe that the individual tax base broadening embodied in the proposals would enhance economic efficiency by confronting most households with lower marginal tax rates.

You have consistently stressed that the objective of tax reform should be to enhance prospects for increased economic growth and household incomes. We agree with this objective, which is consistent with the traditional norms of public finance going back to Adam Smith.

The increased growth, in turn, would lead to greater taxable income and federal tax revenues, which would reduce the static cost of lost federal tax revenue from the reform.

Click Here to Read the Full Op-Ed

Robert J. Barro, Michael J. Boskin, John Cogan, Douglas Holtz-Eakin, Glenn Hubbard, Lawrence B. Lindsey, Harvey S. Rosen, George P. Shultz, and John B. Taylor

THE WHITE HOUSE
Office of the Press Secretary
FOR IMMEDIATE RELEASE
November 21, 2017

SEN. DAVID PERDUE: "THE SIMPLE TRUTH ABOUT AMERICA'S AWFUL TAX CODE I LEARNED AS A FORTUNE 500 CEO"

"Because of Congress's failure, American consumers, companies and workers are suffering."

The simple truth about America's awful tax code I learned as a Fortune 500 CEO
By Sen. David Perdue
NBC News
November 20, 2017

…

I led two Fortune 500 companies. One of them, Dollar General, today pays an effective tax rate of 37 percent. The other, Reebok, pays an effective rate of 19 percent. This is not because of loopholes exploited by these businesses. It is an amalgamation of 100 years of Washington toying with the tax code to incentivize certain industries without ever revisiting whether these incentives actually accomplished their intended goal, or were still relevant.

…

At the same time, our international tax structure is jeopardizing domestic growth and crushing corporations' ability to be globally competitive. We have one of the highest corporate tax rates in the developed world and we still have a tax on repatriated earnings. Essentially, that is a double tax that has locked more than $2.6 trillion in U.S. profits overseas.

…

Since 2004, American companies lost more than $500 billion combined on the global acquisitions market. In fact, according to the Business Roundtable, American companies were the target for mergers and acquisitions 31 percent of the time, while they were the acquirer 16 percent of the time. If our corporate tax rate had been 20 percent, it is estimated that 3,200 companies would have stayed in America during that time.

…

Our workforce is unique, innovative, self-starting and — regardless of obstacles — it gets the job done. However, today's corporate tax structure is penalizing our workers. We have to reduce the tax burden before it cripples our workforce even further.

If we change the business tax code by lowering the corporate tax rate and eliminating the repatriation tax, there will be renewed investment in our economy. This change will create jobs, increase wages, boost workforce development and grow the economy.

…

The United States is on the cusp of an economic turnaround. Consumer confidence is at a 16-year high and manufacturer optimism is at a 20-year high. There is an expectation being priced into the bond and stock markets that something will happen on tax this year, and it's imperative that Congress act accordingly. Changing the tax code by Christmas is the single greatest thing we can do to ignite economic growth next year.

…

We need to change the tax code to grow the economy, put people back to work, increase wages, and over the long-term, help reduce the national debt. Otherwise we will continue to be outpaced by our competitors and American workers will pay the ultimate price.

Read the full op-ed here.

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
November 20, 2017

THE WALL STREET JOURNAL EDITORIAL BOARD: "REDUCING CORPORATE TAX GAMES"

"The GOP reforms would help the economy and make it harder for corporations to avoid paying taxes."

Reducing Corporate Tax Games
Editorial
The Wall Street Journal
November 19, 2017

Liberals are denouncing Republican tax reform as a giveaway to big corporations, as they always do. But the irony is that the Senate and House bills would do far more to stop corporate tax gaming than anything the Obama Administration did in eight years. This includes preventing tax avoidance, levelling the tax field for U.S. multinationals, and stopping corporate inversions.
Start with cutting the corporate rate to 20% from 35%, which in a stroke offers less incentive for companies to move capital, income and intellectual property out of the U.S. to lower tax climes.

…

Both Senate and House bills move to a territorial system that exempts most foreign income from taxation.

…

The best tool to prevent base erosion is a low rate.

…

The House and Senate bills would impose an effective 10% rate on intangible property of U.S. multinationals that is held overseas. In return, U.S. companies like Apple and Google would be able to repatriate their income tax free.

…

Both bills would also prevent foreign multinationals from abusing "transfer pricing"—that is, inflating the price that their U.S. affiliates pay to license IP in order to shift profits overseas.

…

Both bills also include measures to prevent companies from loading up on debt in the U.S. (where interest is deductible) to capitalize foreign companies. The Senate establishes a slightly stricter limit on interest deductibility on debt that is issued to foreign affiliates, but both bills would curb the practice of earnings stripping that the Obama Administration sought late last year to stop with regulations.

We report all this because you'd think from the press coverage that corporate tax reform is all about enriching a few CEOs. The truth is that it's a serious attempt to fix a broken U.S. code that has festered for years and made America increasingly uncompetitive as a destination for mobile global capital. The GOP reforms would help the economy and make it harder for corporations to avoid paying taxes.

Read the full editorial here.