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Date: 10/18/2017 4:32:27 PM
Subject: National Support for Meaningful Tax Reform

Good Afternoon

Below, please find additional information on tax reform and statements of support by Governors, Lt. Governors, and thought leaders from across the country calling for meaningful tax reform.

Sincerely,

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

Top 10 Best Stats to Make the Case for Tax Reform

10. The U.S. has the highest corporate income tax rate among the 35 industrialized Organization for Economic Co-operation and Development (OECD) countries, according to the OECD.

9. The offshoring of corporate earnings has resulted in a loss of federal tax revenues as large as $767 billion, according to the Institute for Taxation and Economic Policy.

8. Our Tax Code contains hundreds of tax breaks worth almost $1.6 trillion, according to the Committee for a Responsible Federal Budget.

7. Complying with the tax code puts a $262 billion burden on the economy, according to the National Taxpayers Union.

6. Small businesses spend between $15 and $16 billion annually on tax compliance costs, according to the NFIB.

5. The President is proposing the biggest tax cut to small and midsize businesses in 80 years.

4. A staggering 94% of families need professional help to do their taxes.

3. Fifty-six percent of Americans believe they and their family are paying too much in taxes every year, according to a recent Politico/Morning Consult poll.

2. After President Reagan's 1981 tax cuts, the economy created 14.8 million jobs over five years based on data from the Bureau of Labor Statistics, and between 1982 and 1989, real per-capita-income by 18 percent, an effective 20 percent increase in standard of living.

1. The average American household income could increase between $4,000 and $9,000 a year in wages and salary alone by cutting the Federal corporate income tax rate from 35 percent to 20 percent, according to an analysis by the Council of Economic Advisors (CEA).

Corporate Tax Reform and Wages: Theory and Evidence

New analysis from the Council of Economic Advisers proves:

- Reducing the statutory federal corporate tax rate from 35 to 20 percent would increase the average household income in the United States by, very conservatively, $4,000 annually.

- The increases recur each year, and the estimated total value of corporate tax reform for the average U.S. household is therefore substantially higher than $4,000 à The most optimistic estimates from literature show wages could boost more than $9,000 for the average household.
  - A 15 percent corporate rate cut could increase average household incomes from $83,143 in 2016 to between $87,520 and $92,222.
  - Median household income -- meaning earnings for more of a typical household -- would rise from $59,039 to between $62,147 and $65,486.

- Literature finds countries with low corporate tax rates have seen higher wage gains than countries with high corporate tax rates.

Click here to link to study in its entirety

Tax Reform Study by Boston University

In a study published this morning analyzing the economic and revenue impacts of the Republican "Unified Framework" Tax Plan, researchers found:

- The new Republican tax plan raises GDP by between 3 and 5 percent and real wages by between 4 and 7 percent.
- This translates into roughly $3,500 annually, on average, per working American household.
- The source of the increase in U.S. output and real wages is the UF plan's reduction in the U.S. marginal effective corporate tax rate from 34.6 percent to 18.6 percent.
- According to their model, the U.S. corporate income tax represents a hidden tax on U.S. workers.

Click here to go directly to the study

Governor Reynolds Issues Statement on Newly Released Federal Tax Reform Framework

September 27, 2017

Gov. Kim Reynolds issued the following statement Wednesday on the newly released federal tax reform framework introduced by President Trump and Republican congressional leadership:
"I am pleased President Trump and Congress are coming together to address our broken federal tax system.
"We need a system that works for our entrepreneurs, small business owners and families struggling to make ends meet as we build a better Iowa, in part by creating a competitive business environment.
"I encourage federal officials to continue listening to those this reform will affect as they work toward a solution."

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Governor Chris Sununu Statement on the President's Tax Reform Plan

September 27, 2017

Concord, NH – "The President's tax plan overhauls a severely broken tax code in three critical ways that improves the lives of Granite Staters. First, it provides tax breaks to our hard-working residents, which keeps more of our own money in our pockets, allowing us to make the decision about where to spend it, not the government. In addition to finally eliminating the death tax, this plan retains tax benefits that encourage work, higher education, retirement security and stops corporations from shipping jobs and capital overseas. Secondly, it makes our nation much more competitive, by lowering the highest business tax rate in the developed world, something that we have shown, right here in New Hampshire, that creates new jobs and higher wages. As I have said before, small business is the backbone of New Hampshire's economy and they need a tax cut to better compete and grow. Finally, by simplifying the tax code, this plan makes it easier for taxpayers to comply with, and more importantly, makes it fairer by eliminating loopholes and carve-outs that destroy trust in our tax code. This is a plan that works for New Hampshire."

Governor Chris Sununu: Reinvigorating America's Economy

September 6, 2017

The New Hampshire economy, like that of other states in New England, is built around small business. They are the backbone of American enterprise and the jobs engine of our country. Unfortunately, our current federal tax code has become overly burdensome while discouraging economic growth. More important, it has caused our citizens and job creators to lose confidence in our system. The president understands this, which is why he is prioritizing critical tax reform. We can and must do better for our people, our communities, and for the businesses that power our economy.

With an absence of real tax reform, too many barriers exist to put American businesses back on a sustainable path that will generate better wages for individuals and families. A successful tax reform plan would, first and foremost, simplify the tax code with lower rates, and create fewer brackets. We need to reduce the massive number of deductions and exemptions that create complex loopholes. Tax reform will grow America's economy and end the notion that the federal government should pick winners and losers through tax policy. We need a tax plan that finally focuses on fairness and puts everyone on an equal playing field. It should put more money in the hands of our citizens, who are far better stewards of their money than bureaucrats in Washington.

Read more.

Governor Eric Holcomb Statement on President Trumps Tax Reform Plan

September 25, 2017

“The First Lady and I will not be at the President’s speech tomorrow. We will be attending the Naval Seal Foundation Roundtable and Annual Dinner in Chicago. This is an event we’ve been looking forward to for several months now, and, given my time in the Navy, it’s one that is near and dear to my heart. However, I am glad the President is coming to Indiana to share the details of his tax reform plan, and I look forward to the President’s remarks. America’s antiquated tax system is broken. Our nation’s last comprehensive tax reforms were in 1986, so this is long overdue. We must simplify, close loopholes, institute fairness and lower overall rates—especially for small business. Indiana has proven that keeping state taxes among the lowest in the nation and creating pro-business tax policies results in more high-paying jobs for Hoosiers. The time is now for Congress to act on tax reform.”

Governor Paul LePage - Radio Address: Join the Fight to Lower Taxes and Help Maine Families Prosper

September 6, 2017

It is so refreshing to have a President in the White House who truly understands what it takes to create jobs and grow the economy.
Hello, this is Governor Paul LePage.

From his long and successful career in business, President Trump knows firsthand that a burdensome tax code doesn’t create jobs, it kills them. When he outlined his vision for tax reform last week, I was pleased to see it will help Maine families keep more of their hard-earned paychecks.

Americans now spend 6 million hours and more than $250 billion preparing taxes each year. Small businesses incur between $15 and $16 billion on tax-compliance costs.

Imagine if even a fraction of that money was spent investing in our economy, creating jobs, taking family vacations or raising wages. Imagine doing your taxes on a single sheet of paper.

The U.S. tax code is inefficient, bureaucratic and does not promote a competitive economy. It stifles companies and prevents job creation. I agree with President Trump that Americans deserve a tax system that is simple, fair and easy to understand.
As a businessman, I know what it takes to create jobs. Tax relief is absolutely critical to creating more jobs and providing higher wages for middle-class American families. Congress needs to act quickly to jumpstart our economic engine. We must make America the most competitive country in the world for businesses to invest and grow.

Despite what the media will tell you, tax relief works. I have spent nearly seven years fighting for tax relief for Maine families. We now have the highest number of private-sector jobs ever. Our unemployment rate is the lowest in decades. Just this year, Maine ended its fiscal year with a $111 million surplus.

Liberals want to tax you more so they can spend more of your money on bloated government programs. President Trump and I believe Mainers and all Americans deserve to keep more money in their paychecks. You know how to spend your money better than any government does.

Tax relief is certainly important for our country, but it's even more vital for Maine. We've taken a business-like approach to strengthening Maine's economy, and we brought fiscal responsibility to Augusta. But more tax relief is crucial to becoming truly competitive and attracting new jobs.

Now that we have a President in the White House who is serious about helping our small businesses grow, we should not let this opportunity go to waste.

As your Governor, I will keep fighting for policies that put money back in your pocket, not in the hands of bloated government. We can continue to pursue the failed liberal policies of the past, or we can choose prosperity. I was fortunate—I lived the American dream. Now we must protect that dream for our kids and grandchildren.

Please join me in this fight to lower taxes and make Maine a better place to live and raise our families.

Thank you for listening.

Governor Doug Burgum: Tax Reform can Sharpen America's Competitive Edge

September 10,2017

\ri150BISMARCK — Actions taken by President Trump and his administration during his nearly eight months in office have been a wind at our back for North Dakota's economy.

\ri150By taking actions such as rolling back overreaching regulations that threatened our coal industry and our farmers' livelihoods, providing relief for drought-stricken ranchers and approving pipeline infrastructure that adds value to the North Dakota oil industry, this pro-energy, pro-agriculture, pro-business administration has benefited residents statewide.

\ri150Yet this strong start pales in comparison to the enormous potential for tax reform to stimulate the economy in North Dakota and across the nation.

\ri150Like many Americans, we're eager to learn more details of the president's tax reform plan as it's refined by his administration and Congress. But already we recognize some of the basic principles as sound, because they've been working in North Dakota for 25 years.

\ri150Reductions in individual and corporate income taxes, common-sense regulations and a business-friendly environment began under Gov. Ed Schafer, expanded under Govs. John Hoeven and Jack Dalrymple and continue today.

\ri150The result: a robust North Dakota economy that has largely been able to weather a severe downturn in crude oil and farm commodity prices. Just last month, the website fitsmallbusiness.com named North Dakota the best state to survive a recession, citing the state's low unemployment rate, GDP growth and low ratio of state debt to income.

\ri150This resiliency did not happen by accident or good fortune. As the president astutely pointed out in his speech Wednesday at the Andeavor refinery in Mandan, N.D., "North Dakota chose to embrace American industry and the American worker, even when many in Washington wanted to tax and regulate your industries totally out of existence."

\ri150That's not to say our state is without its challenges. Drought and volatile commodity prices remind us how susceptible we are to forces beyond our control and accentuate the need to diversify our economy.

\ri150Diversification, innovation and investment will lift our nation and our economy only if we can be

liberated from the burdensome, cumbersome, outdated tax code that puts U.S. businesses at a disadvantage in the global marketplace.
\ri150The president's proposal to reform the tax code, including corporate income taxes, is long overdue. Because, in the end, every tax comes out of the wallet of a human being. The corporate income tax may sound like it's paid by the company, but ultimately the tax is a cost of doing business that is paid by the company's customers, shareholders or workers in the form of higher prices, lower wages or fewer jobs.
\ri150With one of the world's highest corporate tax rates, we have been systematically punishing our very best U.S. companies to the point they move their operations overseas, where they keep and reinvest those profits. This kills investment and job creation in the United States.
\ri150Allowing trillions in profits to return to our country would be a historic stimulus to U.S. investment and innovation and help accelerate the return of our national gross domestic product growth to higher levels.
\ri150Core components of the president's plan are worthy of serious debate and consideration: cutting taxes for low- and middle-class families, shrinking the current seven tax brackets to three, doubling the standard deduction, repealing the Alternative Minimum Tax and debilitating death tax and closing tax breaks and loopholes for special interests.
\ri150Americans deserve a cooperative, bipartisan effort from Congress to help our nation regain its competitive edge, grow the economy, create jobs and return wealth from Washington back to the people who make our nation prosper. And voters should hold to account those who obstruct comprehensive tax reform.
\ri150All North Dakotans can be proud that the president held up North Dakota's pro-growth, pro-agriculture, pro-energy and pro-business approaches as an example for the nation to follow. Now, with federal tax reform, we have a historic opportunity to restore the United States' competitiveness as the example for the world to follow.

Lieutenant Governor Mike Parson Speaks Out in Support of Proposed White House Tax Plan

October 11, 2017

(JEFFERSON CITY) – Lieutenant Governor Mike Parson has spoken out in favor of the proposed tax plan by the White House. The United Tax Reform Framework plan would simplify the federal tax code and reduce the number of tax brackets from seven to three. The plan would also lower tax rates.

“The President of the United States is offering a tax plan that would greatly benefit Missouri families,” said Lieutenant Governor Mike Parson. “The median household income in Missouri has remained stagnant for the past decade and is below the national average. We must think boldly to spur growth. The President’s plan would reduce taxes and allow families to keep more of their hard-earned money. It would also allow the next generation of Missouri workers to invest in themselves, afford a quality education, and get a good job here in our state,” said Lieutenant Governor Parson. The Lieutenant Governor is also confident the tax plan will boost job growth. “Nine out of ten Missouri businesses have 10 employees or less. Nearly 80% of new jobs in our state come from existing businesses, and with some being taxed as high as 44%, it is high time we as a nation come together and create a new tax plan that does not penalize growth. While I know this is only the beginning of the debate on tax reform, Missourians will greatly benefit from the proposed plan,” Lieutenant Governor Parson said.

Lt. Governor Randy McNally

October 10, 2017

“I truly hope that President Donald J. Trump and Senator Bob Corker can put their differences behind them and come together on tax reform. It is too important. We need a tax code that is simple and fair. Our tax code has for too long benefited the wealthy and the well-connected who can hire accountants and lobbyists to shift their tax burden to hardworking taxpayers. It's time to end the loopholes and special interest tax breaks and look out for the middle class again.
Hardworking Tennesseans need a tax cut. Most importantly, we need to end the system that encourages companies to move overseas. Our tax system needs to encourage companies to hire and grow in America. It's time for simple, fair tax reform that puts America and the middle class first. It is time to bring the promise of the Trump campaign into reality. And we need both President Trump and Senator Corker to do it.”

Tax Reform Will Boost Workers And Business

October 18, 2017

By Steven T. Mnuchin
The Philadelphia Inquirer
I traveled with President Trump t
o Harrisburg last week as he made the case for tax reform to the American people. In the audience were American truckers who transport the food that feeds the nation, the materials that build our cities and towns, and the products that keep the country moving. Truckers are on the front lines of our economy and see firsthand the struggles endured by hardworking Americans.
Economic recovery is not an academic exercise. Higher growth means trillions of dollars of economic activity and opportunities enjoyed by more Americans. The Trump administration is committed to jump-starting a return to faster economic growth with a bold new tax reform plan that will provide much-needed relief.

It has been more than 30 years since President Ronald Reagan passed tax reform. That was in 1986 and since then our tax code has become uncompetitive for our modern economy. That was in 1986 and since then our tax code has become uncompetitive for our modern economy. We have developed a framework to ensure that our tax code is fairer than the current system and works to create greater economic opportunities for all Americans. Individual and business tax reform will give U.S. workers the long, overdue pay raise they deserve. And a competitive tax system will stop major companies from leaving this country to do business abroad, which hurts American workers and families.
We plan to double the standard deduction for individuals to create a large “zero tax bracket.” The first $12,000 of income for individuals and $24,000 for families will not be subject to federal income tax at all….Our plan will allow 95 percent of Americans to complete their taxes on a single, easy-to-file sheet of paper. We will also simplify the system from seven brackets to three and eliminate many special-interest loopholes. When combined with our proposed increase in the child tax credit, these changes will allow the average family to spend more money and time together, and save for a more secure future.

We must also reform our business tax system so that American companies and workers can compete in the global economy. Our current "Offshoring Model," with the highest business rate in the developed world, encourages companies to move overseas to countries with lower rates. We need to change this with an "American model" that reduces the corporate rate from 35 percent to 20 percent, incentivizing companies to create more better-paying jobs here.

…our plan will result in an increase of $4,000 in income annually for the median American family.

Tax reform is how we can once again grow this economy, so it is imperative for Congress to pass a comprehensive tax plan for the president to sign. We need to create massive economic growth in this country so that American families, workers, and small businesses can once again succeed.

Yes, Tax Reform Must Happen Now

October 13, 2017

\ri720BY ALEX M. SANCHEZ
\ri720Florida Bankers Association
\ri720The Miami Herald
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\ri720Tax reform is an elusive legislative goal. Add a partisan divide that exists in our country today, and it seems almost impossible to achieve. Remarkably, an opportunity to pass meaningful tax reform is now available; however, Congress must act and act soon before the door closes.
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\ri720From day one, the president has called for tax reform and he and Congressional leaders deserve credit for recently unveiling a comprehensive tax reform package.
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\ri720The Dow and other stock indexes have had a tremendous bounce after last November's election. But that positive bounce is predicated on tax and regulatory reform being passed by Congress. Wall Street and Main Street are counting on passage of tax reform this year—the first serious reform since 1986. This would give our nation and economy momentum and extend the current recovery. The pressure is now on Congress to vote and pass legislation, something it has not had a good record of doing lately.
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\ri720Meaningful tax reform, as noted by a recent survey of business leaders in the United States, will be positive for the nation's economy. Capital investment, hiring and sales are all expected to increase according to Business Roundtable's survey of chief executives published earlier this year.
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\ri720A couple of highlights from the tax package are:
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\ri720▪ Reduction from seven brackets to three—12 percent, 25 percent and 35 percent;
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\ri720▪ Doubling standard deductions for most households.
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\ri720For corporate taxes:
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\ri720▪ Cuts the corporate tax rate to 20 percent from 35 percent.
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\ri720From presidents Kennedy to Reagan, tax reform/cuts have had a positive impact on the U. S. economy and tax receipts collected by the government. Our country has now been left with a $20 trillion national debt. The only way to reduce this debt is by economic growth and reduced spending.
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\ri720First quarter gross domestic product (GDP) this year was a poultry 0.7 which was later revised to 1.2. All while the stock indexes are at an all-time high, there are risks to our economy and tax reform/cuts are much needed.
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\ri720Second quarter GDP growth was at 3.1, a high we have not seen in years, which was in part based upon anticipated tax and regulatory reform. Additionally, an Oct. 6 job report that shows a loss of jobs illustrates our economy is in a precarious position.
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\ri720The Wall Street Journal reported a few months ago that small business start-ups are down 25 percent in the past six years. A tax reform package, if approved by Congress, would be the best stimulus to strengthen our economy and get more monies back out to job creators and business builders. It would also bring back the American entrepreneurial business start-up spirit. Passage of this tax reform package will really help small businesses, the heart and soul of America's economy and the jobs engine of our country. It is time small businesses received a tax cut.
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\ri720President Trump's plan to lower the corporate tax rate will make our country much more competitive; it will be a win for our economy, keep more jobs in America and balance our position with other G-20 nations. In most rankings, the U.S. has the highest corporate tax rate.
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\ri720A tax plan that levels the tax playing field for businesses — not only with global competitors, but also those right here at home — will help to strengthen American companies. The government should not be picking winners and losers; it should treat all industries the same.
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\ri720For example, the tax loopholes of the large credit unions and the farm credit system should be finally closed. A family of four should not be paying more in taxes than a billion dollar credit union. In order to pay for a tax cut, Congress will have to stand tall in the saddle and take steps to end corporate welfare for some industries. Credit unions, some of which are multi-billion dollar financial institutions, are not paying for the needs of our country. The small mom-and-pop credit unions should continue to enjoy their tax exempt status.
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\ri720Members of Congress must do their jobs and pass tax reform now.
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\ri720Alex M. Sanchez is president and CEO of the Florida Bankers Association which is composed of small, regional and large financial institutions that together employ tens of thousands of Floridians, safeguard more than $500 billion in deposits and extend more than $135 billion in loans.

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\ri1440MNUCHIN: TAX REFORM IS TRUMP'S 'TOP PRIORITY'

October 15, 2017

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\ri1440FOXBusiness - The push is underway in Congress for Republicans to pass President Donald Trump's proposed tax reform by 2018, a high-pressure endeavor that's only been amplified by the GOP's failure to deliver on its seven-year promise to repeal and replace Obamacare. “This is critical to the economy,” Treasury Secretary Steven Mnuchin told FOX Business’ Maria Bartiromo. “And I would hope that we get many Democrats voting with us.” Republicans have pitched their tax reform plan as an opportunity to increase jobs and growth in the country. Key parts of the reform include a tax cut for the middle class and a 15 percentagepoint reduction in the corporate tax rate, which would reduce it from 35 percent to 20 percent. Concerns recently emerged that Congress won’t pass tax reform because of party infighting — President Trump and Sen. Bob Corker (R-Tenn.) were just embroiled in a feud on Twitter — but Mnuchin said that would not be an issue in the upcoming vote. “I think the Senate understands the importance of this,” he said. “And I hope we get a lot of Democrats on board as well, because cutting taxes for the middle class and making business taxes competitive for jobs, I think that’s something that Democrats understand as well.” Top Democrats have signaled that they will not support the legislation, deriding it as cuts for the wealthy. And meanwhile, some Republicans are embroiled in a debate about whether to eliminate state and local deductions, which are especially valuable to people living in high-tax states like New York, New Jersey and California. Mnuchin said the administration currently is working with the House and Senate to find a balance between limiting the power of the federal government to subsidize state and local deductions, and being sensitive to those states’ economies. “I don’t think it’s going to hold up the bill,” Mnuchin said. “And as you know, I’ve had the opportunity to work with the president for over the last year and a half during the campaign on tax reform. It’s been his top priority. I’ve been working on this since January, and we understand the issue of state and local deductions.”

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 18, 2017

ON-THE-RECORD PRESS CALL
BY COUNCIL OF ECONOMIC ADVISERS CHAIRMAN KEVIN HASSETT
ON CORPORATE TAX REFORM AND WAGES

Via Teleconference

2:05 P.M. EDT

MR. ROSS: Thank you so much, Veronica, and thank you everyone who's joining us here today, and most importantly, of course, thank you to Chairman Hassett, who is joining us here from the CEA.

Chairman Hassett is going to discuss the CEA's recently released report on the relationship between the corporate tax rate and wage growth. The call is on the record, as are any remarks he takes and makes when we take questions at the end. Veronica will moderate that portion when the Chairman is done with his opening remarks here.

With that, I'm going to turn it over to the Chairman.

MR. HASSETT: Thanks a lot, Tyler, and thanks all of you for taking time out of your day to listen in on this. It's a real beautiful day here in Washington today -- one of those falls days where you really want to go for a long walk in the woods, which maybe I'll do tonight. (Laughter.)

Economists have been troubled for a long time about the slow growth of the U.S. economy in recent years.

And there are a lot of folks that resign themselves to accepting growth rates of only 2 percent a year, and they're calling that the new normal.

As our country has endured the weak economic growth for the last eight years, there are patterns going on that suggest that there are policy opportunities.

One of the things that's most striking in the data is that while corporate profits have soared by about 11 percent a year over the last eight years, wages of the median American family grew by about one-eighteenth of that rate. And that's a real historic change. In the past, workers would get a 1.1 percent raise for every 1 percent increase in corporate profits. Now this correlation passed through to workers has dropped way, way down to a little bit more than 0.4 percent.

And so there's been a clear trend break, which our econometric models identify, maybe beginning in the late 1980s but continuing and accelerating into today.

Now, if you ask yourself the question, "Why is it that it used to be that if America's businesses were doing better, that the workers would, but now the connection between those two has disconnected," I think that a good place to start is by looking at the evolution over time of the corporate tax climate that our firms are operating in here and around the world.

In 1989, the average statutory corporate rate imposed by OECD governments was about 43 percent, and our rate here in the U.S. was below that, 39 percent. But since then, the OECD average corporate rate has been reduced by about 24 percent, while our corporate tax rate hasn’t budged at all.

And so U.S. firms have reacted to our burdensome tax by offshoring, and our high rate has discouraged foreign investment into the U.S. as well.

So what has the rest of the world learned by lowering corporate tax rates that we have not? Well, our CEA paper that we put out this week delves into evidence from those of other countries to see how corporate tax reductions have impacted their economies and their workers' bottom lines.

The CEA analysis only looks at the corporate side of the unified framework, not the individual side, and we believe that the initial benefits to workers' take-home pay from reforms on the individual side as well will be significant. But we don't attempt to model those in the paper because the complete plan is not available yet.

And so the idea is, right now -- the background thought is that corporations make a lot of decisions based on taxes. Whether they decide to invest in new equipment is dependent on whether they can recover their investment with the profits the investment generates, and whether investment pays for itself depends on the corporate tax rate.

Now, one of the things that's been going on here in the U.S. is that firms have discovered that they can significantly reduce their tax liability if they locate their activity in some offshore market that has a much lower tax rate. So if you're deciding to locate a plant and a job in the U.S., then you pay a really high tax -- just about 40 percent if you count state and local as well. But if you locate in some other country, let's say Ireland, then that plant's income will face a much lower rate.

And so I think that that pattern wasn't such a big deal when the average rate was north of 40 for our trading partners and we were at 39. But now that we're at 35 and the average rate is at 24, it's become a massive problem -- a massive problem for America and a massive problem for America's workers. And the idea is that by moving the activity to low-tax places like Ireland, you increase the demand for labor in Ireland, which drives up wages in Ireland. You reduce the demand for labor here in the U.S., which reduces wage growth in the U.S.

And so President Trump's plan, which has been worked out with the Big 6 and is currently being finalized in Congress, is to reduce the statutory corporate tax rate from 35 to 20 percent. And in our paper we show that there's a really large academic literature that helps us quantify what the impact of such a reduction might be. And our estimate, really quite conservative, is that if we reduce the rate from 35 to 20 percent, this would deliver an average increase in wage and salary income for Americans of about $4,000 for every household.

I should note that the paper contains a lot of quotes from different authors who have studied this question with different models, and that the range is reasonably large but the $4,000 is on the low end of it. And one paper that came out after we finished the report, by Larry Kotlikoff, which he mentions in the Wall Street Journal -- or writes about in a Wall Street Journal article today with coauthors -- gets an estimate that's almost identical to this $4,000. I think their estimate was $3,600.

And so I think that the bottom line is that, in order to move forward and try to produce an economy that shares the wealth in an equitable way so that we reconnect the welfare of workers to the success of firms, then we need to recognize that we've created this climate that encourages firms to move their activity offshore to avoid U.S. tax. The wages aren't going up here because the profits are over there.

So that's a quick overview of our report. I hope you've all had kind of a chance to look at it. And so rather than waste all your time with talking points working out the report, I'd like now to just open it up for questions.

Q Karen Hopper Usher, the Cadillac News.

MR. HASSETT: Hi, Karen.

Q Hi. So my question is, this $4,000 increase, how does it affect people that work in government, schools, or nonprofits? And if so, I mean, how do you figure?

MR. HASSETT: You know, that's a great question. The literature that explores the impacts of corporate taxes on wages usually uses, as a measure of wages, manufacturing wages or broader measures of wages of workers in the private sector.

In economic models, what should happen is that this wage growth will give people money to spend. And if you look at President Trump's remarks, he even mentioned today that if we give $4,000 to a lot of folks, then they'll go out and spend it and that will increase the growth of the overall economy.

And over time, that growth should make it so that the wages of public sector employees would go up as well, because, after all, if you're a public sector employee then you're at the margin deciding if I'm going to work here or am I going to work there. And in order to make an attractive offer, then governments would have to respond to the wage increase in the private sector as well. So I think that in the fullness of time, economists would expect that the government employee salaries would adjust.

And, by the way, just as an aside, don't forget that as these wages go up, and as economic growth goes up because of this tax plan, then those people with those higher wages will also pay higher state and local taxes and federal taxes because they get much higher income. And so that extra revenue would make it so that the diffusion of the effect into the government sector could be easily financed by those higher revenues.

Q Hi, it's Aaron Elstein. I'm a reporter with Crain's New York Business. Kevin, how do you think this tax overhaul should handle carried interest? This is something that helps the private equity hedge fund crowd quite a bit.

MR. HASSETT: The carried interest provisions have been spoken about by a lot of the principals. And I think that the final treatment of carried interest is something that is being worked out on the Hill as we speak.

You know, I think that --

Q What would you like to see done?

MR. HASSETT: What we would like to see is that the process that the President has encouraged us to construct reach its final conclusion, and that details like that are the kind of things that the people in the committees on the Hill need to work out amongst themselves so that they can make a bill that will pass.

And the President has spoken about carried interest. And of course, I'm highly attentive to the things that he's said in the past. But at this moment then, we're waiting for the complete plan. We've given our principles to the people who are negotiating the complete plan and look forward to seeing the final details.

And also, at CEA, let me say that I'm looking forward to seeing the final details that the folks on the Hill converge to, because at that point, then, we can model both sides of the tax plan. And when we do model both sides of the tax plan, I'm quite certain that the $4,000 number -- that just is the impact on the corporate side -- would go up.

Q Do you think carried interest should continue?

MR. HASSETT: What I've spoken about in carried interest, I've said what I've got to say about that.

MR. ROSS: All right, Veronica, well, thank you so much today, unless we do have one other question.

MODERATOR: Not at this time.

MR. ROSS: All right, well, thank you so much everyone for your participation today. Thank you, obviously, to Chairman Hassett. I know most of you have been in contact with me throughout the past few days. If you had any follow-ups you wanted to send through the White House press shop or to CEA, please send my way, and I'll work with my colleague Natalie Strom in our press office to see that we get you an answer.

Thank you so much, Veronica. And everybody have a great day.

END 2:20 P.M. EDT

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THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
October 17, 2017

PRESIDENT DONALD J. TRUMP FIGHTS FOR HIGHER WAGES FOR HARDWORKING AMERICANS

"Lower taxes on American business means higher wages for American workers, and it means more products made right here in the USA." – President Donald J. Trump

PAY RAISE FOR AMERICANS: The tax relief and tax cuts supported by President Donald J. Trump will boost wages for hardworking Americans.

- The average American household income could increase between $4,000 and $9,000 a year in wages and salary alone by cutting the Federal corporate income tax rate from 35 percent to 20 percent, according to an analysis by the Council of Economic Advisors (CEA).
  - Developed countries with the low corporate tax rates have seen significantly higher wage growth compared with developed countries with higher rates.

    - Reducing corporate tax rates will raise wages for workers of all skill levels.
- Wages and corporate profits used to grow at nearly the same rate, but that is no longer the case. In the last eight years, wage growth has stagnated while corporate profits increased by an average of 11 percent per year, according to an analysis by the CEA.
    - Wage growth has failed to keep pace with corporate profits as corporate tax rates in the United States have become uncompetitive.
    - More than 70 percent of the corporate tax burden falls on Americans workers, according to an analysis from the Congressional Budget Office.

INVESTING IN AMERICAN JOBS: The Unified Framework for Fixing Our Broken Tax Code supported by President Trump will end the "offshoring model" as companies will bring profits back and invest in American workers.

- In 2016, a Federal corporate tax rate of 20 percent could have brought more than $140 billion in corporate profits back to America, according to an analysis by the CEA.
    - Those profits could have helped boost the incomes of U.S. households.
- Our current uncompetitive corporate tax rate encourages U.S. firms to keep profits offshore.
    - The United States has the highest corporate income tax rate among the 35 industrialized Organisation for Economic Co-operation and Development (OECD) countries, according to the OECD.
    - The U.S. corporate tax rate has been higher than the OECD average for almost 20 years.
- Last year, more than 70 percent of foreign profits earned by U.S. firms were kept offshore, up from 42 percent in 1984, according to an analysis by the CEA.
    - Companies hold an estimated $2.8 trillion in earnings offshore, according to Audit Analytics.
- Cutting corporate tax rates will encourage firms to invest back in the United States, creating well-paying jobs for hardworking Americans.
    - After President Bush's 2003 tax cuts, the economy created 7.8 million jobs over five years, based on data from the Bureau of Labor Statistics.
    - After President Reagan's 1981 tax cuts, the economy created 14.8 million jobs over five years based on data from the Bureau of Labor Statistics.
    - After President Kennedy's tax cuts, the economy created 12.0 million new jobs over five years based on data from the Bureau of Labor Statistics.

TAX CUTS AND TAX RELIEF: The Unified Framework supported by President Trump will mean hardworking Americans can keep more of their money.

- Double the standard deduction so that more income is taxed at zero percent.
    - The first $12,000 of income for individuals and $24,000 for married couples will be income tax-free.
- Lower individual income tax rates to: 12 percent, 25 percent, and 35 percent.
- Increase the Child Tax Credit and expand it to benefit more middle-income families and eliminate the marriage penalty.
- Create a new $500 tax credit for those caring for an adult dependent or elderly loved one.

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THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
September 27, 2017

Unified Framework for Fixing Our Broken Tax Code

The Trump Administration, the House Committee on Ways and Means, and the Senate Committee on Finance have developed a unified framework to achieve pro-American, fiscally responsible tax reform. This framework will deliver a 21st century tax code that is built for growth, supports middle-class families, defends our workers, protects our jobs, and puts America first. It will deliver fiscally responsible tax reform by broadening the tax base, closing loopholes, and growing the economy.

“We have a once-in-a generation opportunity to give American workers and businesses the level playing field they deserve and make us competitive once again on the world stage,” said Director of the National Economic Council Gary Cohn. “The Administration and Congress have worked together to develop this unified framework for tax reform, which will grow our economy, create jobs, and provide relief for working families. This framework will deliver on the President’s promise to end the rigged system that has kept our workers and businesses down for too long.”

This unified framework serves as a template for the tax-writing committees that will develop legislation through a transparent and inclusive process. The committees will also develop additional reforms to improve the efficiency and effectiveness of tax laws and to achieve the framework’s goals. The Chairmen of the tax-writing committees welcome and encourage bipartisan support and participation in the process.

The full framework is available here, and a one-page overview is available here.

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
October 11, 2017

PRESIDENT DONALD J. TRUMP SUPPORTS TAX REFORM FOR HARDWORKING AMERICANS

“Your government is working for you once again, not for the donors, not the special interests, but the hardworking taxpaying citizens of our country.” - President Donald J. Trump

RAISE WAGES AND BRING JOBS HOME: President Donald J. Trump supports the unified framework for tax reform to bring back jobs and raise wages for American workers.

- Most economists agree that our corporate tax rate harms American workers by keeping their wages down.
  - More than 70 percent of the corporate tax burden falls on American workers, according to a Congressional Budget Office analysis.
- Cutting the corporate tax rate from 35 percent to 20 percent, as proposed in the unified framework, could boost wage growth for the median household to almost four times its current rate, according to analysis from Council of Economic Advisors (CEA).
  - This increase could provide $4,000 in additional income to the average American household, according to CEA analysis.
- Corporate profits are being kept offshore, benefiting foreign workers and harming our own. In 2016, firms kept 71 percent of foreign-earned profits abroad, according to the CEA.
- Tax reforms and cuts like those in the proposed framework encourage the investment needed to create jobs so Americans can get back to work and get well-paying jobs, based on date from the Bureau of Labor Statistics.
  - After President Bush’s 2003 tax cuts, the economy created 7.8 million jobs over five years.
  - 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 years.

FAIR TAXES FOR HARDWORKING AMERICANS: The unified framework will cut taxes and put in place a fair tax code for American workers.

- Double the standard deduction so that more income is taxed at zero percent.

    - The first $12,000 of income for individuals and $24,000 for married couples will be income tax-free.
- Consolidate the seven existing income tax brackets for taxable income to only three brackets: 12 percent, 25 percent, and 35 percent.
- Increase the Child Tax Credit and expand it to benefit more middle-income families and eliminate the marriage penalty.
- Create a new $500 tax credit for those caring for an adult dependent or elderly loved one.

EASY TAXES FOR HARDWORKING AMERICANS: The unified framework will make taxes easy for hardworking Americans and let them recover the hours wasted on filing complicated forms.

- The vast majority of Americans will be able to file their taxes on a single sheet of paper.
    - American individuals and businesses spend more than 6 billion hours complying with the tax code, according to the IRS National Taxpayer Advocate.
    - Individuals spend 13 hours, on average, and $210 to comply, plan, and file their tax return each year.
    - $33.7 billion is the estimated out-of-pocket costs taxpayers spent on software and professional tax services, according to the National Taxpayers Union Foundation.
- The plan repeals the Alternative Minimum Tax, which effectively requires many taxpayers to do their taxes twice.
- The plan ends the job killing “Death Tax.”
    - Close to 20 percent of family business owners say planning for the death tax affects their ability to create jobs, according to Family Enterprise USA.
        - In 2016, family business owners spent an average of $74,940 on insurance for the death tax and $170,800 on other planning costs, according to Family Enterprise USA.

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Office of the Press Secretary

FOR IMMEDIATE RELEASE
September 27, 2017

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THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
September 29, 2017

MANUFACTURING OPTIMISM AT "HISTORICALLY HIGH LEVELS" IN 2017

"[T]his year we have seen the highest consecutive three-quarter average [of optimism among U.S. manufacturers]—90.9 percent having a positive outlook for their company—in the survey's history."

2017 Third Quarter Manufacturers' Outlook Survey
National Association of Manufacturers
September 29, 2017

In the latest Manufacturers' Outlook Survey from the National Association of Manufacturers (NAM), the historically high levels of optimism that U.S. manufacturers expressed during the first two quarters of 2017 continued unabated through the third quarter. In March, 93.3 percent of respondents were positive about their own company's outlook, an all-time high in the survey's 20-year history.

As a result, this year we have seen the highest consecutive three-quarter average—90.9 percent having a positive outlook for their company—in the survey's history.

After years of economic headwinds, uncertainties and policy setbacks, since the 2016 election the survey has shown positive indicators about the health of the manufacturing sector, both in the U.S. and globally.

The current data suggest that manufacturing production should grow 3.6 percent between now and the first quarter of 2018… This indicates that activity should continue to pick up in the coming months, with output in the sector currently growing 1.2 percent year-over-year.

Manufacturers are optimistic about the chance that long-sought-after comprehensive business tax reform will be enacted into law.

In this survey, more than 87 percent of respondents said that a comprehensive plan that included these tax policy changes would address their concerns with the current tax system.

In general, the survey results and comments indicate support for a simpler and modern tax code that would allow manufacturers to be more competitive in the global marketplace. Along those lines, nearly 65 percent of respondents said that comprehensive business tax reform would encourage their company to increase capital spending…This was closely followed by significant proportions suggesting that they would expand their businesses (64.3 percent), hire more workers (57.3 percent), increase employee wages and benefits (52.2 percent), and invest more dollars in the community (34.2 percent).

Read the full survey here.

STATEMENT FROM U.S. SECRETARY OF COMMERCE WILBUR ROSS ON PRESIDENT TRUMP'S TAX REFORM PLAN

Wednesday, October 11, 2017

President Trump's tax plan will make our tax code more simple and fair, and help American business stay competitive. Accomplishing these objectives will lead to increased economic growth, and, most importantly, better jobs for the American worker. Our nation's 3.6 million truckers will directly benefit from middle class tax cuts, and will benefit further from the growth spurred by corporate tax reforms. Together, we will restore fundamental fairness and opportunity to our economy. We finally have a president who is putting America first, and American workers first.

\ri1440HASSETT: TAX CUTS SHOULD BE PERMANENT

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\ri1440POLITICO's Colin Wilhelm "Council of Economic Advisers Chairman Kevin Hassett said ... that tax cuts will be most effective at boosting the economy if they're permanent. Republicans are considering a combination of permanent and temporary tax changes to help get their tax overhaul plan through the Senate. "'If the tax goes down and then goes back up ... you get a much smaller effect in the near-term,' Hassett said at an event hosted by The Hill. Even if those changes expire 10 years out they will still have less impact than permanent tax changes, he added" Read more.

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\ri1440TRUMP ADDS A SWEETENER

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\ri1440POLITICO's Colin Wilhelm: "Trump added a new sweetener to his sales pitch for tax reform Wednesday, saying average Americans would benefit greatly if U.S. corporations bring money home from abroad under a special low tax rate. That move, combined with lower corporate tax rates, would pump an additional $4,000 into the average annual income of American households, he said. "Trump called it a 'pay raise,' and added it 'could be a lot more' than $4,000. 'And you're gonna spend that money and jobs are going to be produced,' he said in Harrisburg, Pennsylvania" Read more.

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\ri1440MNUCHIN SAYS PARTS OF TAX PLAN WOULD BE TEMPORARY

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\ri2160THEWALLSTREETJOURNAL’s Kate Davidson- Treasury Secretary Steven Mnuchin said Friday that some parts of a Republican plan to overhaul the tax code could be permanent, while others would only be temporary. Mr. Mnuchin, speaking at a conference of international bankers, also said he expects Congress can have a bill to the president’s desk by the beginning of December, an aggressive timeline. “There’s tax cuts that absolutely have to be permanent,” he said when asked whether the administration will be able to make tax cuts permanent. For example, moving to a territorial tax system, which would allow tax-free repatriation of future foreign profits, would be very difficult to unwind, he said. Read more.

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\ri1440STATE AND LOCAL LEGISLATORS URGE CONGRESS TO ELIMINATE STATE AND LOCAL TAX DEDUCTION IN EXCHANGE FOR PRO-GROWTH LOWER RATES

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Arlington, VA – In a show of unity from across the nation, more than 100 American Legislative Exchange

Council (ALEC) state legislators signed a letter to Congress urging the elimination of state and local tax (SALT) deduction and passage of real tax reform. The legislators from 34 states represent millions of constituents from all corners of the country, including high-tax states such as Maryland, Pennsylvania and Minnesota.

In an open letter to Congress, the state legislators write:
"Eliminating the state and local tax (SALT) deduction would provide upwards of $1.5 trillion over the next decade to implement broad-based tax cuts nationally. This overhaul would spur the growth in economic output needed to jolt business investment, personal income growth, and job growth." Read more.

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\ri1440MNUCHIN: TAX REFORM BILL WILL BE READY BY DECEMBER

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\ri1440THEFINANCIALTIMES's Ben McLannahan - Steven Mnuchin, the US Treasury Secretary, has underlined his commitment to overhauling America's tax system, saying he wants a bill on the president's desk to sign by "the beginning of December." Speaking on Friday morning at the 2017 get-together at the Institute of International Finance in Washington, DC, Mr Mnuchin said that he hoped that the Senate would soon advance a budget that sets the parameters for a tax bill, and establishes a procedural framework to approve it with a simple majority. The House last week narrowly passed its version of a budget.

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\ri2160TRUMP TAKES TAX PLAN TO THE PUBLIC AS GOP SENATORS STRUGGLE TO FIND AGREEMENT

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\ri2160HARRISBURG, Pa. — President Trump on Wednesday took his case for massive tax cuts directly to the public, even as Senate Republicans struggle to unite behind the proposal ahead of a key Senate vote that could derail his entire approach.

\ri2160During a speech to truckers and others here, Trump touted what he alleges are the tax cuts' benefits for the working and middle classes, making grand-but-disputed claims about the additional dollars workers would see if tax rates were cut for corporations.

\ri2160"You're going to make more money, you're going to do better than ever before, and we truly admire you," Trump told the truckers assembled before him. "You are our heroes." Read more.

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