



MAJOR TAX REFORM IS DESPERATELY NEEDED, BUT HOUSE REPUBLICAN PLAN IS STEP IN WRONG DIRECTION

The House Republican tax plan allows corporations and the wealthiest Americans to continue to avoid paying their fair share of taxes.

- The House Republican tax plan dramatically reduces the top marginal tax rate paid by America's biggest corporations, from 35% to 25%. While the plan closes some corporate tax loopholes, the overall effect is to not make corporations pay any more than they pay now. In poll after poll the American public is clear: corporations need to pay their fair share.
- 26 major U.S. corporations – General Electric, Verizon, Boeing, Priceline.com – paid no U.S. income taxes over the last 5 years, according to a [new report](#) from Citizens for Tax Justice. That means the average family – and the average small business – paid more in taxes in some years than any one of these companies paid.
- The Republican tax plan substantially lowers tax rates paid by the richest Americans – from a top rate of 40% to a top rate of 35%.
- The Republican tax plan lets the richest Americans who make their living selling stocks on Wall Street pay a lower tax rate than people who work for a living on Main Street. The top tax rate for working people will be 35%; but the top tax rate for the wealthy living off their Wall Street stocks will be 25%.

The House Republican tax plan would create even more incentives for corporations to shift profits and jobs offshore.

- The Republican tax plan creates one giant, worldwide corporate tax loophole known as a “territorial” tax system. Under this system, most U.S. corporate profits that are offshore will be taxed at a miniscule 1.25% tax rate, rather than at the new lower 25% corporate tax rate. 1.25% is a tax haven tax rate.
- This will cause more U.S. profits and jobs to get shipped offshore in search of lower tax rates. Tax reform should end tax breaks that encourage companies to ship jobs and profits offshore, and level the playing field for small businesses that create jobs in America.

The House Republican tax plan doesn't raise a dime of new revenue from corporations and the rich.

- House Republicans demand that emergency unemployment benefits be paid for. They demand \$40 billion in cuts to Food Stamps. But they propose a tax plan that doesn't raise a dime of new revenue from corporations and the wealthy. That's not tax reform. That's protecting their special interest campaign contributors.
- The Republican tax plan continues to give tax breaks to the wealthiest Americans and large corporations, while their budget plan demands cuts in services our families depend on, like college loans, nutrition assistance for seniors, and Head Start.
- The Republican tax plan protects tax breaks for companies that ship jobs offshore, while taking jobs away from American workers. Tax reform should ensure that we have the money to invest in American jobs, improve our schools, rebuild our roads and bridges and find new medical cures.