



A Breakdown of the House Tax Reform Plan

The United States' current tax system is outdated, cumbersome, and overwhelming to American people and businesses. With over [70,000 pages of tax code](#) and the **highest corporate tax rate in the developed world**, the U.S. is punishing its citizens with a heavy tax burden, while simultaneously struggling to attract investors and businesses. In order to overcome the hurdles that a broken tax system presents, leaders in the House of Representatives developed a new tax reform plan to dramatically overhaul the current system by promoting growth-focused policies. In fact, studies are already predicting that the plan will boost long-term GDP by [9.1 percent](#).

With three simple ideas – **simplicity and fairness, jobs and growth, and a service first IRS** - the House Tax Reform Plan will revolutionize the current tax system into a modern, growth-driven plan to shape the U.S. moving into the future.

Opportunities for the American People

By modernizing America's tax reform code, Americans will have less of a headache when it comes to tax season. Simple and fair – that's the idea behind making a tax system better for Americans.

- **Reforms the individual income tax code** by lowering the marginal tax rates on wages, investment, and business income. Resulting in an after-income tax [boost of up to \\$4,600](#) for middle class families.
- **Changes the filing system to a simple postcard** and consolidates multiple benefits into two simpler benefits.
- **Repeals the estate and generation-skipping taxes** allowing families to avoid a huge tax after a loved one passes and additional taxation of passed-on assets.
- **Simplifies the tax codes** by consolidating the seven regulator tax brackets into three.

Reinvesting in America's Businesses

With the 47 ideas presented by the House Tax Reform Plan, America will once again become an attractive place for investors. Not to mention the ease of tax burdens on businesses will jumpstart the economy, allowing for growth in jobs and wages.

- **Lowers the corporate tax rate from 35 percent to 20 percent** making the United States more attractive to businesses and investors.
- **Creates a separate, low business income rate of 25 percent** for small business job creators allowing small businesses to keep more of their money to use as they see fit.
- **Boosts long-run GDP growth by [9.1 percent](#).**
- **Grow jobs by [1.7 million](#) and raises wages by [7.7 percent](#)** as a result of economic growth.

Redesigning the IRS

By overhauling the Internal Revenue Service (IRS), the House Tax Reform Plan breathes fresh air into an archaic system. The plan refocuses the mission of the IRS to provide a high quality service to Americans.

- **Streamlines the IRS** into three major units: individuals and families, businesses of all sizes, and “small claims court.”
- **Cuts bureaucratic red tape by reducing the IRS code**, simplifying taxes even further.
- **Reduces fraud and erroneous payments**, such as the [\\$150 billion the IRS spent in 11 years](#) on false Earned Income Tax Credit claims.
- **Institute a new IRS commissioner who is subjected to six years in office**, or two three-year terms in order to keep politics out of the IRS.