



Reinvesting in American Businesses

Compared to foreign competitors, the United States currently has one of the most complex tax codes that businesses – both large and small - are required to comply with. In fact, **there were over [235 business tax return forms](#) in 2016 that reportedly cost [2.833 billion annual burden hours](#)**. As a result, larger companies not surprisingly move their headquarters to other countries because **they can no longer afford U.S. taxes** while competing in the global market place. Additionally, Main Street businesses fail to flourish because of the nuanced tax code that punishes rather than awards American businesses. And above all else, investors typically avoid the U.S. because of our tax system.

The House Tax Reform Plan changes this. Through provisions that encourage companies to flourish in the U.S., the proposed tax system will jump start the U.S. economy, bringing job growth as well as investments back to the U.S.

Growing Main Street

With over [70,000 pages of tax code to comply with](#), Main Street companies are suffering instead of thriving. Through the House Tax Reform Plan, not only will the current system be simplified, thus saving time and money, but small businesses will be able to keep more of their earned-profits, allowing owners to invest back into their companies and employees.

- **Establishes a maximum rate of 25 percent for taxed income derived from pass-through businesses**, saving money for business income earned by Main Street job creators.
- **Simplifies the tax code** by cutting down on costly and unnecessary regulations which saves businesses time and money.
- **Allows jobs creators to write-off the full cost of new equipment in the first year**, permitting businesses to spend money elsewhere, like more jobs or higher wages, instead of on accountants.
- Reduces compliance costs by **eliminating the Alternative Minimum Tax**.

Competing in the Global Market

Today's global market is more competitive than ever and with the current U.S. tax system, businesses are struggling to compete with foreign competitors. The House Tax Reform Plan levels the playing field for businesses restoring fair and equal competition.

- **Lowers the corporate income tax rate from 35 percent to 20 percent**, which encourages companies to keep their headquarters in the U.S. and create new jobs right at home.
- **Creates fair and equal competition** with foreign markets.

- **Establishes a territorial tax system**, eliminating the double taxation that American jobs creators currently experience on their international income. This will also help bring millions of dollars back home to reinvest back into America's economy.