

America Does Not Need a Tax Increase

The Biden administration is preparing to push one of the biggest tax increases in 30 years. Measures could include raising the corporate tax rate from 21% to 28%, changes to international provisions that could make American companies less competitive, as well as increasing the individual rate for high earners.

Why it matters: Pushing for a massive tax increase, especially during a pandemic, would not help businesses recover, create jobs, or get the economy back on track. After the Tax Cuts and Jobs of 2017, the first major tax reform in decades, reversing this good work would be the wrong move.

Raising taxes would:

- Derail economic recovery since higher corporate income taxes harm economic growth and, ultimately, hurt workers
- Make the U.S. tax system less competitive
- And make the U.S. a less attractive place to invest profits and locate corporate headquarters

What we're doing: Caroline Harris, Chamber Vice President for Tax Policy and Economic Development, has been defending tax reform in a series of blog posts on Above the Fold:

- [“The Case for Preserving a Competitive Corporate Tax Rate”](#)
- [“Preventing Changes to GILTI That Hurt Competitiveness”](#)
- [“The ‘Fair Share’ Fig Leaf”](#) (with Senior Economist Curtis Dubay)

What else? The Chamber currently leads and participates in several coalitions with other associations including:

- **PACE** – *Protecting America’s Competitive Economy* – Preserve international tax provisions to ensure American companies remain globally competitive.
- **RATE** – *Working to preserve the corporate RATE* - Working to prevent increases in the 21% corporate tax rate.
- **EDITDA** – *“Save the DA”* - Extend the current provision that allows businesses to add back their depreciation, depletion, and amortization for purposes of interest deductibility calculations.
- **R&D** – *Maintain favorable R&D incentives* – Make permanent the ability to expense R&D, rather than shift to amortization at end of 2021.

To learn more about these coalitions, please contact Caroline Harris at CHarris@uschamber.com.

Bottom line: It is imperative that we preserve the tax reform gains the Chamber worked for decades to achieve. These will enable American businesses to compete successfully in the global economy, attract foreign investment to the U.S., increase capital for investment, and drive job creation.